

**Hilco Industrial, LLC
Mississippi Sales Tax Rules Summary
Southern Fasteners
368 Cold Springs Road
Greenville, MS 38703**

Asset Type: Fastener & Cold Formed Parts Manufacturing Facility

Tax Rates:

- The general sales and use tax rate in Mississippi is **7%**. No local tax is applicable for this location.
- The preferential rate for certain machinery to be used exclusively and directly in MS by manufacturers, processors, farmers, operators of certain harbor or port facilities is **1.5%** (see below for additional details)

Auctions

Auctioneers are considered to be in the business of selling tangible personal property, and sales tax is due on the gross receipts from auction sales regardless of how the tangible personal property may have been acquired or by whom it is owned. (Miss Rule 35.IV.13.05)

The gross proceeds of sales made at auctions equal the total amount received without any deductions for commissions. (Miss Rule 35.IV.13.05)

Sales of personal property (except for motor vehicles) through auctions, flea markets, antiques malls, or similar establishments are not classified as isolated, casual or occasional sales. (Miss Rule 35.IV.3.02)

Manufacturing Machinery & Equipment (Preferential rate of 1.5% applies)

Purchases of electric power, fuel, manufacturing machinery, repairs and parts (band cutters, band slicers, band rollers, lift trucks, riveting machines and other processing machinery) used directly in the processing operation are taxed at a preferential rate. [Miss. Administrative Code §35.IV.8.02(111)(3) .] Per § 27-65-17(1)(e) – “Sales of manufacturing machinery or manufacturing machine parts when made to a manufacturer or custom processor for plant use only when the machinery and machine parts will be used exclusively and directly **within this state** in manufacturing a commodity for sale, rental or in processing for a fee shall be taxed at the rate of one and one-half percent (1-1/2%).” Repair parts for manufacturing machinery are subject to the same reduced 1.5% rate of tax as the machinery itself.

Only MS manufacturers and processors are qualified for the reduced rate of tax. A MS manufacturer must provide proof of their registration or a direct pay permit issued by the Tax Commission. The direct pay permit may be obtained from the manufacturer in lieu of the 1.5% tax on the purchase.

Machinery: Sales of manufacturing machinery or manufacturing machine parts to a manufacturer or custom processor, which will be used exclusively and directly in Mississippi in manufacturing a commodity for sale, rental, or in processing, are taxed at 1.5%. [Miss. Code Ann. §27-65-17(1) .]

Machinery, machine parts, and equipment sold to an operator or lessor of certain harbor or port facilities for use in operation of the facility are also taxed at 1.5%. [Miss. Code Ann. §27-65-20 ;Miss. Code Ann. §27-65-24 .] General taxability of machinery.

Resale

The good faith sale of tangible personal property to a licensed retailer for resale in the regular course of business is considered to be a wholesale sale and is not subject to tax.

The seller must maintain the sales tax number or exemption number for these customers along with a description of the items sold and the sales amount of those items.

Motor Vehicles

Auctioneers are not responsible for collecting sales tax on motor vehicles sold through an auction. (Miss Rule 35.IV.13.05)

Out of State Sales:

All sales from a business location within the State or by a Mississippi dealer are presumed to be taxable Mississippi sales unless and until the dealer can substantiate an authorized claim for exemption. For sales of farm tractors, farm implements, heavy equipment, boats, boat motors, trailers, motorcycles, ATVs, recreational vehicles, travel trailers, furniture, and appliances, a Certificate of Interstate Sales Form must be completed by both buyer and seller:

http://www.dor.ms.gov/Forms/sales_72315.pdf

Exemption Certificates

Mississippi does not provide for the use of resale certificates. MS requires resellers who are registered to collect MS sales tax to give their vendors the reseller's MS resale sales tax number located on the "Permit To Engage In Business". Out-of-state resellers who are purchasing for resale outside Mississippi can use their resale number from the other state.



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