

Title 35 Mississippi State Tax Commission

Part IV Sales & Use

Sub Part 01 Administrative

Chapter 06 – Definitions

- 100 Credit for tax paid to another state - An individual, who imports property into Mississippi, is entitled to a tax credit for taxes paid to another state at either the state or local level or both. The tax credit is the smaller of either the amount of Mississippi use tax due or the total amount of tax properly paid in another state. For sales tax to be properly paid to another state, the situs of the sale must be that state, and for use tax to be properly paid, first use must occur in that state. Also, any local sales or use tax claimed as a credit must have been levied under the authority of the state. The individual must provide an invoice or other evidence that clearly and correctly shows the amount of tax as a separate item to support the credit for taxes paid another state.
- 101 Boys and Girls Clubs - To be eligible for the sales tax exemption that is available to Boys and Girls Clubs, the organization must meet the following requirements:
1. Must be registered with Internal Revenue Service as a 501[c][3] corporation
 2. Its sole purpose is to provide and manage youth activities
 3. Must be active. The term active means that the organization's principle activity must be continued for a total of at least 10 months out of a year. The monthly meeting of the organization's board would not indicate an active status. (Example: A youth baseball club would be required to provide organized activities for 10 months out of the year)
- This exemption will apply only to those purchases that remain the property of the organization. The exemption would not apply to the purchase of uniforms that are provided to the players through either the payment of a registration fee or a separate charge.
- 102 Value – For sales tax purposes, the term “value” as used in Miss. Code Ann. Section 27-65-3(h) means the entire cost of goods, wares, merchandise or property that is withdrawn from the inventory or stock of a business for use, either personal use or for use in the performance of a job or service. The entire cost includes the cost of materials, labor, overhead or any other similar costs that are incurred in delivering the property to the point of use and which would otherwise contribute to the sales price of such property if it were not converted to use.
- 103 Value – For use tax purposes, the term “value” as used in Miss. Code Ann. Section 27-67-3(h) means the estimated or assessed monetary worth of a thing or property. The value of property transferred into this state for sales promotion or advertising shall not be less than the cost paid by the person who transfers the property or who donates the property. The value of property that is brought into this state when the property has been used in another state is determined by its cost less straight line depreciation; however, the

value cannot be less than twenty percent (20%) of the cost. Any other method of determining value may be used when such method is acceptable to the commissioner. The value of property imported by the manufacturer of such property for rental or lease in this state is the manufactured cost of the property.

- 104 Person – The term “person” shall mean a natural person, firm, partnership, limited partnership, promoter of a temporary event, corporation, limited liability company, estate, trust, association, joint venture, other legal entity or other group or combination acting as a unit, and includes the plural as well as the singular in number. “Person” shall also include husband and wife or both where they may jointly benefit from the operation of a business that is subject to sales tax or use tax. “Person” shall also include any state, county, municipality or other political subdivision and any agency, institution or instrumentality thereof engaging in a business taxable under this chapter.
- 105 Orphanages – For the purposes of the exemption found in Miss. Code Ann. Section 27-65-111(e), the term means a place, facility or home which receives children who are not related to the operators and whose parents or guardians are not residents of the same facility unless approved in letter ruling by the Tax Commission as provided for in *Title 35, Part I, Chapter 01 Mississippi Administrative Code*. The facility must provide for long-term or extended supervision, care, lodging and maintenance of the child, with or without transfer of custody. Additionally, the facility must be supported by a religious denomination, fraternal nonprofit organizations or other nonprofit organization.
- 106 Old Men’s or Ladies’ Homes – For the purposes of the exemption found in Miss. Code Ann. Section 27-65-111(e), the term means a place which provides group living arrangements for elderly persons who are unrelated to the operator unless approved in letter ruling by the Tax Commission as provided for in *Title 35, Part I, Chapter 01 Mississippi Administrative Code* and who are being provided food, shelter, personal and medical care. This includes facilities such as nursing homes, convalescent homes and assisted living facilities. Additionally, the facility must be supported by a religious denomination, fraternal nonprofit organization or other non profit organization.
- 107 (Reserved)