Title 35 Mississippi State Tax Commission

Part IV Sales & Use

Subpart 03 Taxability

Chapter 08 Amusements

100 Definitions

101 Amusement is defined to include any and all forms of entertainment including sport, recreation, shows, exhibitions, contests, displays and games, or any other types of amusement.

102 Admissions charges include monetary charges and all other methods of obtaining admission including donations or contributions. Taxable charges also include admissions to an event in exchange for specific personal or professional services such as but not limited to advertising or security services.

103 Religious organizations are defined as ecclesiastical or denominational organizations, churches, diocese or presbytery or established physical places for worship, whether or not incorporated, at which nonprofit religious services and activities are regularly conducted and carried on and also includes those religious groups which do not maintain specific places of worship.

104 Charitable organizations are defined as any person determined by the Internal Revenue Service to be a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code; or any person actually or purporting to be established solely for any voluntary health and welfare, benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other charitable purpose or for the benefit of law enforcement personnel, fire fighters, or other public safety organizations.

105 Education organizations are defined as any person providing educational, informative or instructional services.

106 Civic Clubs are defined as any association, society, foundation or other entity that is determined by the Internal Revenue Service to be a tax exempt organization pursuant to Section 501 (c)(3) of the Internal Revenue Code established for purposes relating to or providing benefit for any citizen or city. Local chapters organized under~~of~~ a national organization will be treated as a part of the tax exempt national organization if the local chapter has not obtained its own designation from the Internal Revenue Service.

107 Fraternal organizations are defined as any association, fraternity, sorority or other entity determined by the Internal Revenue Service to be a tax exempt organization pursuant to

Section 501 (c)(3) of the Internal Revenue Code operating as a social, charitable or service organization.

108 (Reserved)

200 Levy

201 Miss. Code Ann. Section 27-65-22 (1) levies a tax at the rate of 7% on the gross income from admissions charges held at any place of amusement or activity as defined above.

202 The tax is due at the rate of 3% on the gross income from admissions charges to a publicly owned enclosed coliseum or auditorium and livestock, agriculture and other facilities owned and operated by cities or counties which were funded through grants provided for under Section 18 of Chapter 530, Laws of 2005. However, this reduced rate is not applicable to athletic contests between colleges and universities. Admissions charges to such events are taxable at the rate of 7%.

203 The tax is due at the rate of 7% on the gross income from admissions charges to events conducted and held at the Mississippi Veterans Memorial Stadium.

204 The tax levied under Miss. Code Ann. Section 27-65-22(1) is to be collected by the operator of the place of amusement and is to be in addition to the price charged for admission. When a temporary amusement is held at a facility and conducted by a promoter who is not the owner, lessee or custodian of the facility, the promoter is required to notify the Tax Commission of such event and will be required to register the event and will be liable for the tax. In the event the promoter does not register and pay the tax as required, the owner, lessee or custodian of the facility will be jointly liable for the tax.

205 (Reserved)

300 Exemptions

301 The tax levied under Miss. Code Ann. Section 27-65-22(1) is not due from the following:

1. Admissions charges at a place of amusement operated by religious, charitable or educational organizations or by nonprofit civic clubs or fraternal organizations when one of the following qualifications is met:
   a. The proceeds may not be used to the benefit of any one or more individuals of the organization and are used solely for religious, charitable or education purposes; or
   b. The entire proceeds are used to defray the normal operating expenses of the organization.
2. Admissions charges to gospel singing promoted by nonprofit charitable or religious organizations.
3. Admissions charges for high school or grade school athletic games.
4. Admissions charges or ticket sales for baseball games between teams operated under a professional league franchise.

5. Admissions charges to county, state or community fairs and to entertainments held in publicly owned community homes or houses.
6. Admissions charges or ticket sales to garden pilgrimages and to antebellum and historic houses when sponsored by an organized civic or garden club.
7. Admissions charges to golf tournaments held under the Professional Golf Association or the United States Golf Association.
   a. The tournament must be sponsored by a nonprofit association incorporated under the laws of the State of Mississippi; and
   b. The proceeds of such tournament may not benefit any individual or group and dividends may not be declared.
8. Admissions charges to any university or community college conference, state, regional or national playoffs or championships.
9. Admissions charges or fees charged by any county or municipally owned and operated swimming pools, golf courses and tennis courts. This exemption does not cover the sales or rentals of tangible personal property. The exemption does cover facilities owned and operated by state supported colleges and universities.
10. Admissions charges for symphony orchestra, opera, vocal or instrumental performances where professional or amateur performers are compensated from the proceeds of the admissions charges and amateur or professional dramatic productions when both of the following conditions are met:
    a. The event must be sponsored by a local music or charity association or by a children's dramatic association; and
    b. The association may not declare dividends, receive profits, pay salary or other compensation to any members and may not pay any person for producing the performance.
11. Admissions charges or ticket sales to any hockey games between teams operated under a professional league franchise.
12. Admissions charges or ticket sales to any event sanctioned by the Mississippi Athletic Commission when the event is held within a publicly owned enclosed coliseum or auditorium.

302 (Reserved)

400 Purchases or Donations

401 Any charitable fund raising events that are open to the public and sponsored, organized or hosted by nonprofit civic, fraternal, educational, religious or charitable organizations are exempt from tax on the gross income received from admissions charges, however, sales or use tax is due on any purchases or donations made for the event.

402 Food, drinks and supplies purchased for the event are taxable on the purchase price or cost. The tax must be paid to the vendor at the time of purchase or paid directly to the Tax Commission on the cost of items brought into this state.

403 Food or drink donated for the event is taxable on the cost of such items as a withdrawal from stock or inventory. The tax must be paid to the Tax Commission by the person(s)

making the donation. The cost of the donated items should be added to the total sales on the next return due.

404 Items purchased for sale or auction at the event are taxable on the purchase price or cost. This tax must be paid to the vendor at the time of purchase, or paid directly to the Tax Commission by the event sponsor on the cost or value of any items brought into this state.

405 Any items donated for sale at the event are taxable on the cost or value of the items being donated. This tax should be paid directly to the Tax Commission by the person(s) making the donation.

406 Tax is due on all purchases necessary to operate the organization unless the organization holds a valid exemption from sales tax authorized under Miss. Code Ann. Section 27-65-111.

407 (Reserved)