Title 35 Mississippi State Tax Commission

Part IV Sales & Use

Sub Part 13 General

Chapter 02 Sales Made By and To Schools, Colleges and Universities

Junior Colleges, Community Colleges, Colleges and Universities

100 Miss. Code Ann. Section 27-65-105(a) and Section 27-65-105(b) exempt sales of property and services when sold to, billed to, and paid for directly by Mississippi's public colleges and universities. Sales to non profit private colleges and universities are exempt pursuant to Miss. Code Ann. Section 27-65-111 (g). These exemptions do not apply to items that are not used in the ordinary operation of the school and do not apply to items resold to students.

101 Junior colleges, community colleges, colleges and universities undertake many activities that require the school to collect and remit sales tax. Miss. Code Ann. Section 27-65-9 provides that exempt organizations or political entities are in "business" for sales tax purposes when any of the activities carried on by that organization are in competition with privately owned businesses that are subject to sales tax.

102 For the purposes of this rule, students are defined as persons receiving a course of instruction at the school and will include those taking short specialized courses and those attending camps.

103 In those instances where the school has contracted with a third party vendor to operate facilities on campus, such as a book store or cafeteria, the vendor will be responsible for collecting and remitting the tax. The school will remain liable for the tax when the vendor is merely acting as an agent for and on behalf of the school.

104 Miss. Code Ann. Section 27-65-75(1)(b) provides that 18 ½% of the tax collected from business activities on the campus of any state institution of higher learning or community or junior college shall be paid to the school when the business location is not located within the corporate limits of a municipality. Such payments are made on or before the 15th of the month following the collection of the tax by the State Tax Commission.

105 (Reserved)

200 Book Stores

201 Sales of school textbooks sold to students are exempt from tax pursuant to Section Miss. Code Ann. 27-65-105 (c). All other sales are taxable, including, but not limited to, items such as paper, notebooks, ink, pencils, laboratory supplies, clothing, food or drink.

202 Interdepartmental sales, sales delivered out-of-state and sales to tax-exempt entities are not taxable.

203 (Reserved)

300 Cafeterias, Dining Halls and Other On Campus Food Sales

301 Sales tax is due on all sales to students with the exception of regular on campus meals provided as a part of a prepaid student meal plan pursuant to Miss. Code Ann. Section 27-65-9(2)(a) and (c). Prepaid student meal plans are those plans that provide the student with a specific number of meals or meals for a specific period of time and also include all meals paid for through the use of a prepaid declining balance account or similar instrument or account issued by the school that may only be used to purchase on campus prepared meals Eligible declining balance accounts may commonly be referred to as flexible spending accounts, flex dollars, bonus bucks, or dining dollars and are all such accounts where money is deposited on account for the use of the student where the balance in the account declines based upon the price of the food or drink purchased. Any declining balance account that may be used to purchase books, apparel, supplies or other services such as copying or laundering services may not be used to purchase prepared meals exempt from sales tax.

302 Sales tax is due on all sales of meals to non-students such as faculty, employees, visitors and the public. Sales tax is also due on the purchase of all prepared meals paid for with cash, checks, bank debit cards or credit cards regardless of who is purchasing the meal.

303 Banquets and catering for student groups are exempt when the meal is paid for directly by the exempt entity. Banquets and catering for non-student groups are taxable unless billed to another department of the school. Sales rebilled by the school to a private individual or organization are taxable.

304 Meals provided as a part of camp activities, such as summer athletic camps, are exempt from tax when payment for such meals is a part of the charge made by the school for the camp. This includes camps for students of the college and camps for students visiting from other colleges, universities or grade schools.

305 Meals provided to employees at no cost are not taxable to the school pursuant to Miss. Code Ann. Section 27-65-105(b) or 27-65-111(g).

306 All sales of food made through vending machines owned by the school are taxable at the regular retail rate of tax. Vendors are liable for tax on sales made through "full service" vending machine sales (see *Title 35, Part IV, Subpart 04, Chapter 03 Mississippi Administrative Code*).

307 Sales of food through concession stands at athletic events or entertainment events are taxable.

308 (Reserved)

400 Athletics, Admissions Charges and Special Events

401 Miss. Code Ann. Section 27-65-22 levies a tax on the gross income received from charges for admission to any and all forms of entertainment, amusement, diversion, sport, recreation, pastime, shows, exhibitions, contests, displays and games. The tax is levied at the regular retail rate; however, there is a special reduced rate which applies to admission charges to publicly owned enclosed coliseums and auditoriums and there are special exemptions that may apply. This special rate does not apply to admissions charges to athletic contests between colleges and universities.

402 The sale of tickets for all athletic games held at a location in Mississippi are taxable at the regular retail rate except any games for university or community college conference, state, regional or national playoffs or championships as provided for in Miss. Code Ann. Section 27-65-22 (h). Tickets sold by visiting teams for games in Mississippi are also taxable even if the proceeds of those ticket sales are deducted from the guaranty owed to the opposing team.

403 Sales of programs, t-shirts, hats, stadium cushions, etc. are taxable at the regular retail rate of tax. Rentals are also taxable under Miss. Code Ann. Section 27-65-23.

404 Tickets to athletic events are not taxable when given away free of charge. Tickets given in payment for services rendered, such as advertising, are taxable upon the customary charge or face value for such admission.

405 Miss. Code Ann. Section 27-65-22 (i) exempts admission charges or participation fees to any county or municipally owned and operated swimming pool, golf course or tennis court. This exemption applies to such facilities owned and operated by state supported colleges and universities.

406 Sales and rental of tangible personal property, such as golf carts, concessions, sporting equipment, are taxable at the regular retail rate. Rentals of lockers are taxable at the regular retail rate when such fees are retained by the schools. Fees for usage of lockers are not taxable when such fees are used as a damage deposit and are returned to the student at the end of the term.

407 Entry or participation fees for tournaments, such as golf tournaments or tennis tournaments are taxable except for that portion of the charge which represents the normal admissions charge exempted by Miss. Code Ann. Section 27-65-22 (i).

408 Admissions charges for temporary amusements or special events are taxable. The promoter of the amusement or event is responsible for collecting and remitting the tax; however the school may be held liable for any tax due from amusements held at the school should the promoter fail to remit the proper tax (Miss. Code Ann. Section 27-65-22 (2)).

409 The gross income received from all charges made for parking at athletic and special events is subject to tax at the regular retail rate pursuant to Miss. Code Ann. Section 27-65-23.

410 (Reserved)

500 Printing and Photocopying Services

501 All sales of printed materials and photocopies are taxable at the regular retail rate of tax with the exception of interdepartmental sales, sales made to tax-exempt organizations and sales for resale to a licensed retailer.

502 (Reserved)

600 Departmental Sales and Services

601 All sales of tangible personal property and taxable services sold by departments are subject to tax at the regular retail rate. Such services include, but are not limited to, automobile repair, plumbing, heating and air, electrical and custom meat processing. For a complete list of taxable services, see Miss. Code Ann. Section 27-65-23.

602 (Reserved)

700 Miscellaneous Sales and Rentals

701 Income received from room rentals and property sales by alumni and/or visitor houses is taxable at the regular retail rate of tax pursuant to Miss. Code Ann. Section 27-65-23.

702 Rental of refrigerators and other dorm appliances and all other rentals of equipment are subject to tax at the regular retail rate pursuant to Miss. Code Ann. Section 27-65-23.

703 All sales of laundry services or dry cleaning services to students or non-students are taxable at the regular retail rate of tax pursuant to Miss. Code Ann. Section 27-65-23.

704 Sales of annuals, awards, articles of clothing or jewelry given in recognition of accomplishments and the rental of caps and gowns are exempt from tax when sold directly to, billed directly to and paid for directly by the exempt entity. Sales of such merchandise are taxable when the vendor sells to and receives payment directly from the individual student.

705 Sales of invitations, class rings, pins, and pictures for the benefit of individual students or student organizations are taxable at the regular retail rate of tax even if billed to an exempt school.

706 Sales to public and nonprofit private schools for resale, rather than use by the school, are taxable at the regular retail rate of tax unless the school is registered for sales tax purposes. This includes fund raising materials.

707 (Reserved)

800 Utilities

801 Sales of telephone service, cable or subscription television services for the private use of students, faculty members or any other person enrolled or domiciled at an "exempt" school, college or university are taxable at the regular retail rate of tax. The school will be considered the seller of these services when separate charges are made and will be responsible for remitting the tax on all private use of such services pursuant to Miss. Code Ann. Section 27-65-19. No tax will be due these services when the charge for such services is included in the cost for registration, tuition or dormitory. Charges for such services used in common areas such as student union buildings, media centers, libraries, etc., are exempt when sold directly to, billed directly to and paid for directly by the school.

802 Charges for internet access are not subject to sales tax.

803 (Reserved)

Elementary and Secondary Grade Schools

900 Miss. Code Ann. Sections 27-65-105(a) and 27-65-105(b) exempt sales of property and services when sold to, billed to, and paid for directly by Mississippi's public schools and school districts. Sales to non profit schools are exempt pursuant to Miss. Code Ann. Section 27-65-111 (g). These exemptions do not apply to items that are not used in the ordinary operation of the school and do not apply to items resold to students.

901 Any elementary or secondary grade school operating campus stores where sales are made to students and/or the public are required to register to collect and remit sales tax on the gross proceeds of such sales.

902 Sales of student meals are exempt from sales tax pursuant to Miss. Code Ann. Section 27-65-9 (2) (b). This exemption also applies to third party vendors who operate a cafeteria at an exempt school or who provide regular student meals at an exempt school. The exemption does not apply to those vendors who may sell additional food items at a school where the student may choose to purchase such food in lieu of the regular meals provided by the school. The tax on such sales is due regardless of whether the vendor collects the money directly from the students or is paid by the school from money the school has collected from the students.

903 Parent Teacher Associations (PTA), Parent Teacher Organizations (PTO), athletic and band boosters and other similar support organizations are not exempt from sales tax even on purchases made to benefit the school or that will be given to the school.

904 Admissions charges for athletic games and contests between elementary and secondary schools are exempt from sales tax pursuant to Miss. Code Ann. Section 27-65-22 (c). Schools should pay tax to the vendor on purchases of food, drink or other merchandise sold through concession stands at school sponsored events.

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