

Sub Part 06 Utilities

Chapter 01 Electric Power, Light, Gas and Other Fuel Distributors

- 100 Levy
- 101 Pursuant to Miss. Code Ann. Section 27-65-19(1)(a), sales to consumers of electricity, natural gas, liquefied petroleum gas or other fuels and services related thereto by electric power associations, natural gas districts, municipalities, privately owned businesses or stock companies, or any other persons are taxable at the regular retail rate of sales tax, except as otherwise provided. These sales are exempt when sold for residential heating, lighting or other residential, noncommercial, nonagricultural use.
- 102 Pursuant to Miss. Code Ann. Section 27-65-19(1)(b), sales of electricity, natural gas, liquefied petroleum gas or other fuels to a manufacturer, custom processor, technology intensive enterprise as defined in Miss. Code Ann. Section 27-65-17(1)(f) or public service companies for industrial purposes are taxable at the reduced 1 ½% rate. However, the tax due on the sale of natural gas taxed under Miss. Code Ann. Section 27-65-19(1)(b) shall not exceed 10.5 cents per 1,000 cubic feet.
- 103 Pursuant to Miss. Code Ann. Section 27-65-19(1)(c)(i), sales of electricity, natural gas, liquefied petroleum gas or other fuels used in the production of agricultural or livestock products for market are subject to the reduced 1 ½% rate. The 1 ½% rate shall also apply when the electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel is sold to a producer of oil and gas for use directly in enhanced oil recovery using carbon dioxide and/or the permanent sequestration of carbon dioxide in a geological formation.
- 104 Pursuant to Miss. Code Ann. Section 27-65-19(1)(a)(ii), sales of electricity, current, power, natural gas, liquefied petroleum gas or other fuel for heating, lighting, or other use, and sales of potable water to a church exempt from federal income taxation under 26 USCS Section 501(c)(3) shall be excluded from taxable gross income of the business if the exempt sales are utilized on property that is primarily used for religious or educational purposes. Any church purchasing the above utilities may sign an affidavit attesting to the fact that they are exempt from federal taxation and that they qualify to be exempt from sales tax as provided in Miss. Code Ann. Section 27-65-19(1)(a)(ii). Retailers can accept this affidavit or the 501(c)(3) certificate from the Internal Revenue Service as evidence that the church qualifies for the exemption. This affidavit expires annually. Once the affidavit expires, retailers must obtain a new one to ensure the church is still eligible for the reduced rate.
- 105 (Reserved)

200 Residential Usage

201 In order to qualify for the residential exemption, the utilities must be sold to, billed to, and paid for by the homeowner or resident of the facility. Residential customers may include, but are not limited to, privately owned hunting and fishing camps, summer homes, cabins, or apartments.

202 Hunting or fishing camps that provide hunts and/or accommodations for a fee are not allowed the residential exemption and are subject to the regular retail rate of tax. Vacant apartments with utilities being billed to the apartment complex or manager are not eligible for the residential exemption. Private homes or residences owned by a business or corporation that are used for commercial purposes and that may be used to provide overnight stay on a temporary or transient basis are subject to the regular retail rate of tax. Such common establishments include bed & breakfast facilities.

203 Any apartment or home that may have mixed usage (residential/commercial) must be taxed at the regular retail rate unless there is a separate meter for the business (ex. business shop, poultry farm, commercial barn, repair garage, etc.). This provision does not include homes that also contain a home office.

204 Charges billed to a homeowner's association for use in areas such as, but not limited to, street lighting, subdivision entrance lights, swimming pools, recreational facilities, and clubhouses are not residential usage and are taxable at the regular retail rate of tax.

205 (Reserved)