

Title 35 Mississippi Department of Revenue
Part IV Sales and Use Tax
Subpart 7 Manufacturing and Production

Chapter 02 Custom Creosoting and Treating, Planing, and Sawing, and Custom Meat Processing

- 100 Gross income received from custom creosoting and treating, custom planing, custom sawing, and custom meat processing is taxable at the regular retail rate of sales tax. Gross taxable income includes all charges connected with the service. Services performed for a licensed retailer upon merchandise for resale in the regular line of business are exempt from sales tax. Charges for custom creosoting and treating of track materials and the sale of track materials to a railroad whose rates are fixed by the Mississippi Public Service Commission are taxable at the three percent (3%) special rate of tax.
- 101 Purchases of raw materials which will become a component part of the product being processed are exempt. Purchases of electric power or other fuels used directly in custom processing are taxable at a one-and-one-half percent (1 ½%) special rate of sales or use tax. Purchases of manufacturing machinery or machine parts to be used directly and exclusively in custom processing are taxable at the one-and-one-half percent (1 ½%) special rate. All other purchases are subject to regular retail sales or use taxes.
- 102 Rental or lease of machinery and other tangible personal property is taxed at the same rates as sales of the same property.
- 103 Adequate records must be maintained to substantiate tax classifications of sales and purchases.
- 104 (Reserved)

35.IV.7.02 revised effective March 14, 2025.

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Title 35 Mississippi Department of

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