

Sales/Use/Indirect:

Mississippi: Amended Rule Explains Manufacturer Exemption on Sales of Certain TPP Shipped Out-of-State

Amended Reg. section 35.IV.07.03, Miss. Dept. of Rev. (7/26/24). The Mississippi Department of Revenue adopted amendments reflecting state law that exempts the gross proceeds of sales of tangible personal property by a qualified manufacturer when shipped out-of-state and first use occurs out-of-state, including a list of some activities that do *not* establish a first use. Specifically, the amended Mississippi rule provides that “sales of tangible personal property by the manufacturer or custom processor are exempt on the gross proceeds of sale when shipped, transported, or exported from the State and first use occurs in another state or country, whether such shipment is made by the seller, purchaser, or any third party.” Under the amended rule, the activities of “providing instructions, training, or allowing an inspection of the property between the seller and the buyer prior to the shipment of property does not establish a first use” in Mississippi. The amended rule takes effect on August 26, 2024. Please contact us with any questions.

URL: <https://www.sos.ms.gov/adminsearch/ACProposed/00027614a.pdf>

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