

Chapter 04 Milk Products

- 100 “Dairy Producer” means any person engaged in the production of milk for commercial use.
- 101 Sales of milk or milk products to consumers are taxable at the regular retail rate of tax.
- 102 The following types of sales are exempt from sales tax:
1. Sales of raw milk, skimmed milk or cream by a dairy producer before the products are subjected to any other process. Sales tax is due when such products are sold at an established store.
 2. Sales of raw milk, skimmed milk or cream by an agricultural cooperative, when such products are produced by its members, and before the products are subjected to any other process.
 3. Sales to licensed dealers or retailers for resale or to manufacturers for further processing.
- 103 Dairy producers are liable for regular retail sales or use tax on the purchase price of all equipment, machines and supplies. Purchases of containers such as milk bottles, cartons, wax for cartons and caps are exempt as containers when preparing agricultural products for market when possession passes to the customer at the time of sale of the product contained therein. Mechanical milking machines, milk tanks and coolers are taxed at the 1.5% special rate of tax as farm implements. All other taxable items are taxed at the regular retail rate.
- 104 Sales of materials to a dairy producer used in the repair, renovation or addition to, expansion and/or improvement of buildings or related facilities shall be taxed at the 3.5% special rate.
- 105 Producers who pasteurize milk or manufacturers of milk products are exempt on purchases of containers that will be sold with the milk or manufactured product. Purchases of manufacturing machinery or parts that will be used directly in manufacturing or processing milk products for sale are subject to the 1.5% special rate of sales or use tax. Purchases of electric power or other fuel used in manufacturing or processing milk products for sale are exempt. See Title 35 Miss. Admin. Code, Part IV, Subpart 6, Chapter 01 concerning the Affidavit for Utility Exemption. All other purchases of equipment, machinery or supplies are subject to the regular retail rate of sales or use tax.
- 106 Rental or lease of machinery and other tangible personal property is taxed at the same rate as sales of the same property.
- 107 Adequate records must be maintained to substantiate tax classifications of sales and purchases.
- 108 (Reserved)

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~~100~~101 Sales of milk or milk products to ~~a~~ consumers are taxable at the regular retail rate of tax.

~~101~~102 The following types of sales are exempt from sales tax:

4. Sales of raw milk, skimmed milk or cream by a dairy producer before the products are subjected to any other process. ~~However, if such products are sold through an established store, sales tax applies.~~ Sales tax is due when such products are sold at an established store.
5. Sales of raw milk, skimmed milk or cream by an agricultural cooperative, when such products are produced by its members ~~thereof~~, and before ~~they~~ the products are subjected to any other process.
6. Sales to licensed dealers or retailers for resale or to manufacturers for further processing.

~~102~~ (Reserved)

Purchases by Producers, Pasteurizers and Manufacturers

~~200~~103 ~~Purchases by Producers, Pasteurizers and Manufacturers.~~ Dairy ~~P~~producers are liable for regular retail sales or use tax on the purchase price of all equipment, machines and supplies, ~~except on~~ Purchases of containers such as milk bottles, cartons, wax for cartons and caps ~~which~~ are exempt as containers when preparing for marketing agricultural products for market when possession passes to the customer at the time of sale of the product contained therein. Mechanical milking machines, milk tanks and coolers are taxed at the ~~3~~1.5% special rate of tax as farm implements. All other taxable items are taxed at the regular retail rate.

104 Sales of materials to a dairy producer used in the repair, renovation or addition to, expansion and/or improvement of buildings or related facilities shall be taxed at the 3.5% special rate.

~~201~~105 Producers who pasteurize milk or manufacturers of milk products are exempt on purchases of containers that will be sold with the milk or manufactured product. Purchases of manufacturing machinery or parts that will be used directly in manufacturing or processing milk products for sale are subject to the ~~1 1/2~~1.5% special rate of sales or use tax. Purchases of electric power or other fuel used in manufacturing or processing milk products for sale are ~~likewise subject to the 1 1/2% special rate of sales or use tax.~~ exempt. See Title 35 Miss. Admin. Code, Part IV, Subpart 6, Chapter 01 concerning the Affidavit for Utility Exemption. All other purchases of equipment, machinery or supplies are subject to the regular retail rate of sales or use tax.

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~~203~~ (Reserved)

Records

300107 Adequate records must be maintained to substantiate tax classifications of sales and purchases.

~~301108~~ (Reserved)

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