



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-11-001

May 19, 2011

NOTICE TO PET BREEDERS

Miss. Code Ann. Section 27-65-17 requires all persons who are engaged in the business of selling any tangible personal property to collect the 7% Mississippi sales tax on the gross proceeds of such sales. Miss. Code Ann. Section 27-65-9 defines "Business" as all activities or acts engaged in for benefit or advantage. The requirement to collect sales tax applies to all sales of animals unless there is a provision under Mississippi law that would exempt the sale. Miss. Code Ann. Section 27-65-103(c) exempts sales of mules, horses and other livestock. For purposes of this exemption, livestock is defined to mean horses, cattle, swine, sheep, goats, mules, donkeys, poultry and ratite. All other animals usually found on farms that are raised for commercial profit or commercial uses are also considered livestock. Livestock does not include dogs, cats or any other domestic animals usually kept as pets.

Persons who do not hold themselves out as sellers of pets and who breed their pets on an infrequent basis are not considered to be in the business of selling and are not required to register to collect Mississippi sales tax. Persons who sell pets from one litter no more than once in a two year period are considered to be selling on an infrequent basis and are not required to register to collect sales tax.

However, those who breed their pets on a regular basis, including commercial breeders, "back-yard" breeders, individuals who advertise pets for sale, or hobbyists, are considered by statute to be engaged in business in this state. Those people must register with the Department of Revenue to obtain a sales tax permit and must charge sales tax on their sales. This includes people who sell pets from more than one litter during a two year period.

This notice is issued to provide guidance to pet breeders concerning the requirement to collect sales tax. Any breeders located in Mississippi or who come into Mississippi to make or solicit sales and who are not currently registered to collect Mississippi sales tax should complete a Registration Application to obtain a Mississippi sales tax account number. The Registration Application is available on our web site at <http://www.dor.ms.gov/regist.html>. Pet breeders/sellers who are not already registered should complete the required registration application and begin collecting sales tax no later than June 30, 2011 to avoid assessments of past sales taxes due, penalties and interest.

Non-profit animal rescue organizations and non-profit animal shelters who charge a fee to persons adopting pets to cover pet vaccinations and other medical procedures are not considered to be in the business of selling pets and are not required to register to collect sales tax.

Please contact the Sales and Use Tax Bureau should you need additional information.