



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-20-04

June 25, 2020

NOTICE TO MARKETPLACE FACILITATORS

House Bill 379 of the 2020 Regular Session creates the Mississippi Marketplace Facilitator Act of 2020. This act defines a marketplace facilitator as any person who facilitates a retail sale by a seller by:

- (i) listing or advertising for sale by the retailer in any forum, tangible personal property, services or digital goods that are subject to tax under Mississippi sales tax law; and
- (ii) either directly or indirectly through agreements or arrangements with third parties collecting payment from the customer and transmitting that payment to the retailer regardless of whether the marketplace provider receives compensation or other consideration in exchange for its service.

Effective July 1, 2020, marketplace facilitators who facilitate sales into Mississippi that exceed Two Hundred Fifty Thousand Dollars (\$250,000) in any consecutive twelve-month period are required to register for a Mississippi use tax account and begin collecting and remitting use tax on Mississippi sales of taxable services, tangible personal property and specified digital products. Marketplace facilitators subject to the provisions of this act may include but are not limited to:

- Online sales or rentals of tangible personal property including software
- Online sales or rentals of specified digital products including audio-visual works, audio works and electronic books
- Online sales of hotel/motel stays

Businesses needing to register for a use tax account may visit the Mississippi DOR Taxpayer Access Point at <https://tap.ms.gov> to register online.

House Bill 379 additionally provides that sales facilitated by third party food delivery services that deliver food from an unrelated restaurant to a customer are not considered retail sales. These third party food delivery services should pay sales tax to the restaurant on the cost of the food purchased from the restaurant and not charge the customer sales tax on the delivery.

If you have any questions, please contact the Sales Tax Department at 601-923-7015 or send emails to: veronica.smith@dor.ms.gov