

Chapter 02 Laundries, Dry Cleaners and Linen Rental Companies

- 100 Miss. Code Ann. Section 27-65-23, levies a tax at the regular retail rate on the gross income of persons operating a laundry, cleaning, dyeing or pressing shop. No deduction is allowable for commissions or fees paid to agents soliciting this business. Miss. Code Ann. Section 27-65-101(o) exempts the gross collections from self-service commercial laundering, drying, cleaning and pressing equipment.
- 101 Income received from renting linens, uniforms and other tangible personal property in Mississippi is taxable at the regular retail rate of tax. No sales or use tax is due on property purchased by licensed linen rental companies or laundries for rental.
- 102 Income received from laundering or cleaning services for out-of-state customers is exempt when the property on which the service was performed is delivered to the customer either by common carrier or in property owned by the vendor.
- 103 Charges for alteration services are taxable when they are performed as a part of a laundering or cleaning activity.
- 104 Services, such as fading or dyeing, performed for a licensed dealer on property for resale at retail are exempt from sales tax.
- 105 Purchases by or sales to licensed laundries, dry cleaners and linen rental companies of water, soap and bleach dispensers, coin changers, air conditioners, bulk heads, signs and advertising, office supplies, labels, tickets, etc., which are used or consumed in the rendering of the services are taxable at the regular retail rate of sales or use tax. Purchases of soaps, naphthas, dyes and cleaning fluids are considered process chemicals and are exempt from tax. Purchases of coat hangers, wrapping paper, bags, etc., are exempt from sales tax.
- 106 Sales of electric power or other fuels to laundries, dry cleaners and linen rental companies for plant use are exempt from sales tax. See Title 35 Miss. Admin. Code, Part IV, Subpart 6, Chapter 01 concerning the Affidavit for Utility Exemption. Sales of manufacturing or processing machinery or machine parts to these establishments are taxable at the 1½% special rate of tax.
- 107 Sales of processing machinery, machine parts, soaps, supplies, etc., to hotels, taxable hospitals, taxable rest homes, etc., for their own use are taxable at the regular retail rate of tax. All sales (equipment, power, supplies, etc.) to persons in the self-service laundering business are taxable at the regular retail rate of tax.
- 108 Rental or lease of tangible personal property is taxable at the same rate as sales of the same property.
- 109 Adequate records must be maintained to substantiate tax classifications of sales and purchases.

110 (Reserved)

35.IV.5.02 revised effective August 3, 2019