



MISSISSIPPI STATE TAX COMMISSION

Sales and Use Tax Bureau

Notice 72-09-003

June 3, 2009

SALES TAX HOLIDAY NOTICE

House Bill 348, as passed during the 2009 Regular Session of the Mississippi Legislature amended Section 27-65-111, Miss. Code Ann. to provide for a sales tax holiday to begin at 12:01 a.m. on the last Friday in July and end at 12:00 midnight the following Saturday. For 2009, the sales tax holiday will begin Friday, July 31, 2009 and end Saturday, August 1, 2009. Each year the dates for the sales tax holiday will coincide with the last Friday in July.

The sales tax holiday allows customers to purchase certain articles of clothing or footwear free from Mississippi sales tax. The sales price of each article of clothing or footwear must be less than \$100.00 to qualify for the sales tax holiday. Items priced at \$100.00 or more will be taxable during the sales tax holiday.

The following items do not qualify for the sales tax holiday: jewelry, handbags, luggage, umbrellas, wallets, watches, backpacks, briefcases, garment bags, skis, swim fins, roller blades, skates and similar items and accessories.

Adequate records must be maintained to substantiate tax classifications of sales and purchases regarding the sales tax holiday. When reporting the qualifying sales, retailers should use one of the open lines in the "Schedule of Itemized Deductions" to report the dollar amount of qualifying sales. "QSTHS" (Qualifying Sales Tax Holiday Sales) should be used to indicate the deduction.

All retailers located in Mississippi are required to participate in the first sales tax holiday. Beginning in 2010, cities may decide through a resolution adopted by the city not to participate in the annual sales tax holiday. Businesses may not participate in the annual sales tax holiday if they are located in cities that have adopted a resolution not to participate in the sales tax holiday.

Beginning in 2010, cities choosing to opt out of the sales tax holiday must send a certified copy of the cities resolution stating the date the resolution shall take effect. A certified copy of the resolution shall be furnished to the State Tax Commission at least ninety (90) days prior to the date upon which the city desires the resolution to take effect.

Please see the Sales Tax Holiday brochure on our website at www.mstc.state.ms.us for additional information concerning the annual sales tax holiday.