



MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-16-005

July 8, 2016

NOTICE TO TAXPAYERS CONCERNING THE SALE OF CHRISTMAS TREES AND CERTAIN OTHER AGRICULTURAL PRODUCTS

Effective July 1, 2016, House Bill 1677 of the 2016 Regular Session amends Miss. Code Ann. Section 27-65-103 to provide an exemption from sales tax on the sales of Christmas trees, hay, straw, fresh cut flowers and similar products when the product is grown in Mississippi, cut, severed or otherwise removed from the farm, grove, garden or other place of production and first sold from such place of production in the original state or condition of preparation of sale.

This exemption only applies to sales of Christmas trees where the customer purchases the tree directly from the farm and the tree is cut or severed at the time of sale. Sales of pre-cut Christmas trees are taxable at the regular retail rate of tax. The exemption for hay, straw and fresh cut flowers also applies only to these items that are sold directly from the place of production and that are cut or severed at the time of sale. All sales of other ornamental plants which bear no fruit of commercial value are taxable at the regular retail rate.

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