



# MISSISSIPPI DEPARTMENT OF REVENUE

Sales and Use Tax Bureau

Notice 72-21-01

February 1, 2021

## UPDATED NOTICE TO PROFESSIONAL LOGGERS AND VENDORS SELLING TO PROFESSIONAL LOGGERS

Senate Bill 2319, as passed during the 2020 Regular Session of the Mississippi Legislature amended Miss. Code Ann. Section 27-65-17 to remove the requirement that equipment be '**permanently** attached to other equipment drawn by a vehicle which is self-propelled' in order to qualify for the reduced 1½% rate of sales tax. As of June 23, 2020, such equipment must simply be 'attached to other equipment drawn by a vehicle which is self-propelled' to qualify for the reduced rate. Equipment that is mounted to other equipment which is self-propelled is still required to be **permanently** attached in order to qualify for the reduced rate. See below:

Miss. Code Ann. Section 27-65-17 provides for a reduced 1½% rate of sales tax on sales to professional loggers of equipment used in logging, pulpwood operations or tree farming, and parts and labor used to maintain and/or repair such equipment, which is either:

1. Self-propelled, or
2. Mounted so that it is permanently attached to other equipment which is self-propelled, or
3. Mounted so that it is attached to other equipment drawn by a vehicle which is self-propelled.

Loggers must meet the federal education requirements of the Sustainable Forestry Initiative to be considered "professional loggers" eligible for the reduced rate of sales tax on equipment. The educational requirements of the Sustainable Forestry Initiative for Mississippi loggers are administered by Mississippi State University through the Logger Education Program. All loggers currently meeting the educational requirements will be issued a Professional Logger's Permit, and any new loggers with company representatives going through the Logger Education Program will receive a Professional Logger's Permit upon completion of the educational requirements. Out of state loggers meeting the educational requirements of the Sustainable Forestry Initiative are required to obtain reciprocal certification through Mississippi State University to qualify as a professional logger in Mississippi and to be eligible for the reduced 1½% rate of sales tax.

Retailers selling equipment used in logging and parts and repairs to such equipment to professional loggers must maintain adequate records to substantiate charging the reduced 1½% rate of sales tax to professional loggers. Sales invoices should clearly identify equipment and parts and repairs to equipment and to whom the equipment, parts or repairs were sold. The retailer must also retain a copy of the purchaser's Professional Logger's Permit. Retailers are required to keep sales records for a minimum of 3 years.

Equipment and parts qualifying for the reduced 1½% rate of sales tax when sold to professional loggers include, but are not limited to:

- Tree planter and machine to pull tree planter
- Cutter
- Skidder
- Forwarder
- Loader and/or bucking saw attachment
- Chipper
- Mulcher
- Delimber (powered or non-powered)
- Dozer used to pull trucks, make roads, and site preparation for planting

- Tractor
- All-terrain vehicles (ATVs)
- Equipment mounted on trucks or trailers used directly in logging
- Hydraulic fluid, Freon, oil, grease and filters used in the above equipment
- Cables and chokers used on dozers and skidders
- Tires and repair parts for the above equipment
- Repairs to the above equipment

Items not eligible for the reduced rate of tax:

- Trucks
- Trailers
- Hand held power saws (chain saws)
- Welding machines
- Generators
- Air compressors
- Pressure washers
- Equipment used to repair or maintain logging equipment
- Tires and other parts used on trailers and trucks
- Hand tools

For additional questions concerning the Logger Education Program and obtaining a Professional Logger's Permit, please contact Mississippi State University Logger Education Program at 662-325-6852.

For additional questions concerning equipment, parts and repairs eligible for the 1½% rate of sales tax, please contact the Sales and Use Tax Bureau at 601-923-7015.

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