

Swimming Pools

How is the construction of a swimming pool taxed?

Residential Construction –

There is no sales tax levied on the gross income derived from the construction of an in-ground residential swimming pool regardless of the method of construction or the amount of total compensation received. Different methods of construction include preformed fiberglass pools, vinyl-lined pools, and gunite or concrete pools. The swimming pool dealer owes sales tax on the cost of any withdrawals from his inventory of component materials or supplies. The tax accrues at the time the withdrawal from inventory occurs, and is remitted on the sales tax returns for that period. Purchases of taxable services (plumbing, electrical, grading and excavation, etc.) from sub-contractors are taxable at the 7% rate of tax. These taxes are payable to the sub-contractor. Because swimming pool “dealers” are not in the business of reselling these taxable services, they cannot be purchased tax-free.

Non-Residential Construction -

Contracts of \$10,000 or less -- these jobs are taxed identically to residential construction. There is no sales tax levied on the gross income derived from the construction of an in-ground non-residential swimming pool regardless of the amount of total compensation received. The swimming pool dealer owes sales tax on the cost of any withdrawals from inventory of component materials or supplies. The tax accrues at the time the withdrawal from inventory occurs, and is remitted on the sales tax return for that period. Purchases of taxable services (plumbing, electrical, grading and excavation, etc.) from sub-contractors are taxable at the 7% rate of tax. These taxes are payable to the sub-contractor. Because swimming pool “dealers” are not in the business of reselling these taxable services, they cannot be purchased tax-free.

Contracts in Excess of \$10,000 -- non-residential in-ground swimming pools, where total compensation received exceeds \$10,000, are taxable at the rate of 3½%. This tax is levied upon the total contract price or total compensation received. A Material Purchase Certificate (MPC) number must be obtained prior to work commencing on these jobs. The contractor's tax must be prepaid before work begins on any contract exceeding \$75,000 unless the contractor files a surety bond with the Department of Revenue. If a bond is provided for a taxable contract that exceeds \$75,000, the contractor's tax is due in the period that the compensation is received. For a contractor with a permanent place of business in the state and with a taxable contract of \$75,000 or less, there is no requirement to prepay the tax or to provide a bond. The contractor's tax is due in the period that the compensation is received.

How are repairs to swimming pools taxed?

Repairs to in-ground swimming pools are taxed in the same fashion as the construction of such swimming pools, depending upon classification of the job (residential, non-residential where compensation is \$10,000 or less, or non-residential where compensation exceeds \$10,000). Repair and/or replacement of swimming pool liners are subject to the 7% regular retail rate of tax on the total charge, including materials and labor.

How are sales of aboveground pools taxed?

Aboveground swimming pools are tangible personal property. Retail sales of tangible personal property are taxed at 7% on the gross proceeds of sales including installation charges.

How are sales of pool supplies and repairs taxed?

Retail sales of chemicals, pool accessories and any other personal property are taxable at 7%. Repairs to tangible personal property, such as pumps, heaters, etc. are taxable services taxed at the rate of 7% on the gross income including charges for materials and installation.

How is swimming pool maintenance taxed?

There is no sales tax levied on the gross income derived from swimming pool maintenance services (cleaning, shocking, etc.) regardless of whether the work is performed on a residential or non-residential swimming pool. Sales tax is due on the cost of any supplies or other inventory withdrawn from stock or purchased to perform these maintenance activities.



Purchases:

Purchases of tangible personal property that are for resale or will become a component part of a non-residential swimming pool being constructed are exempt from sales taxes. In order to make these purchases tax-free; you must provide your retail sales tax number or MPC number to your vendors. Purchases of component materials for the construction of a residential in-ground swimming pool are taxable at the rate of 7% at the time of purchase.

Purchases of taxable services such as plumbing, welding, grading, excavating, electrical work, etc. are taxable at the regular 7% rate of sales tax except when there is a valid MPC number for the job.

Purchases of tangible personal property that will be used or consumed, such as tools or equipment, or are not purchased for resale, or are not considered component materials, are subject to the regular retail rate of tax at the time of purchase.

SALES TAX REGISTRATION REQUIREMENTS:

Prior to any person continuing or engaging in any of the activities described in this pamphlet, you must complete a Registration Application in order to procure a Sales Tax Permit for each business location.

No person will be issued a Sales Tax Permit or be allowed to conduct any business activity within this state until such time as all requirements of the Mississippi Sales Tax Law have been met.

FILING OF RETURNS AND REMITTANCE OF SALES TAXES BY SELLER:

Sales tax returns are due and payable on or before the 20th day of the month following the period in which the tax accrues. For a taxpayer reporting monthly, this would mean that the sales taxes due on sales occurring in May would be due by June 20th. Returns filed on or before the due date to be considered timely filed. Payments made after the due date are subject to applicable penalty and interest. Sales tax returns should be filed for all appropriate periods even though no taxes is due. Failure to file returns as required will result in estimated assessments against the taxpayer until such time as all delinquent returns are filed and all taxes due are paid.

