

Sales and Use Tax Bureau
1577 Springridge Road
Raymond, Mississippi 39154



MISSISSIPPI
STATE TAX COMMISSION

Post Office Box 1033
Jackson, Mississippi 39215

Telephone: 601-923-7015
Fax: 601-923-7034

July 14, 2006

Notice 06-05

Notice to All Aircraft Repair and Service Facilities

Senate Bill 2988, 2006 Regular Session of the Mississippi State Legislature, amended Section 27-65-23, Mississippi Code of 1972 to remove the repairing and servicing of all aircraft from the activities taxed under the sales tax law. This amendment became effective July 1, 2006.

Section 27-65-23 levied a tax upon every person engaging or continuing in certain miscellaneous business activities. Included in the taxable activities was the repair and servicing of aircraft. Such activities were taxable at the regular retail rate of seven percent (7%) on all materials and labor charges while the purchase of parts used in the repairs were exempt. **Effective July 1, 2006, all charges for repairs and servicing to aircraft are now exempt from sales tax. Sales or Use tax is now due on the purchase of all parts used in the repairing or servicing of aircraft.** Tax must be paid to the vendor at the time of purchase or directly to the state on a Use Tax Return if the parts are purchased from an out-of-state vendor who does not charge the Mississippi tax.

Any facility operating as a repair/service center and aircraft parts dealer will be required to collect and remit Mississippi sales tax at the rate of seven percent (7%) on all sales of parts and remit sales tax at the rate of seven percent (7%) on the cost of parts withdrawn from inventory for use in the performance of a repair or service. Tax will not be due on the repair or service charge billed to your customer.

Those facilities that are operating a repair or service center **only** must surrender their sales tax permit and request the Tax Commission to close their sales tax account. Facilities making purchases of repair parts from out-of-state may now be responsible for use tax on such purchases and will need to contact the Tax Commission to register for a use tax account.

If you have any questions, please contact the Sales and Use Tax Bureau at 601-923-7015.

Issued by:

A handwritten signature in black ink that reads "Meg Bartlett".

Meg Bartlett, Director
Sales and Use Tax Bureau