



# MISSISSIPPI STATE TAX COMMISSION

Sales and Use Tax Bureau

Notice 72-08-01

January 11, 2008

## Construction, Renovation and Repair of Apartments and Condominiums

Senate Bill 2387 of the 2007 Regular Session amended Miss. Code Ann. Section 27-65-21, to identify apartments and condominiums as nonresidential for purposes of the 3.5% Contractor's Tax. Contracts exceeding \$10,000 for the construction, renovation or repair of apartments or condominiums with a contract date after June 30, 2007, are subject to the 3.5% Mississippi Contractors Tax.

Prior to commencement of work on qualifying contracts for apartments and condominiums, the prime contractor(s) are required to apply for a Material Purchase Certificate (MPC) to identify the contract. For those nonresidential contracts exceeding Seventy Five Thousand Dollars (\$75,000.00), the contractor's tax, together with any use tax due, must be paid before work is begun unless a bond to guarantee payment of the taxes due is filed with the State Tax Commission. All contractors without a physical location in Mississippi are required to prepay or bond their contracts over \$10,000. Contractors with a physical location in Mississippi are required to bond or prepay their projects that are over \$75,000.

Please call this office at 601-923-7015, should you need additional information or assistance regarding this notice.

Statutes and Rules: Miss. Code Ann. Section 27-65-21