

Gasoline, Special Fuel and Compressed Gas Sold to Governmental Entities

Exempt Governmental Entities

Mississippi law provides a partial exemption for the sale of gasoline, special fuel and compressed gas used in a motor vehicle, motorboat or aircraft for the exclusive use of a governmental entity. Governmental entities include the following:

- United States Government;
- State of Mississippi;
- Local (counties, municipalities & political subdivisions of the State of Mississippi);
- Mississippi School Districts; and,
- Volunteer Fire Departments.

Volunteer Fire Departments

The partial exemption only applies to gasoline, special fuel and compressed gas used in a vehicle owned by a volunteer fire department and used for departmental purposes. The volunteer fire department must be chartered under the laws of the State of Mississippi as a nonprofit corporation.

Armed Forces of the United States Government

Mississippi law provides a full exemption for the sale of gasoline, special fuel and compressed gas sold to the United States Government for use of the Armed Forces. To qualify for this exemption, each delivery must be in quantities of 4,000 gallons or greater. The partial exemption applies if the delivery to the Armed Forces is less than 4,000 gallons.

Claiming the Exemptions

Exempt certificates are not issued for purposes of Excise Taxes; therefore, the exemptions (partial and full) may be claimed without the prior approval of the department. However, satisfactory proof is required to be furnished upon the department's request.

The partial exemption should be claimed on Schedule 13H of the gasoline and/or special fuel return.

The full exemption should be claimed on Schedule 8 of the gasoline and/or special fuel return.

The full exemption should be claimed on Line 2 and the partial exemption should be claimed on Line 9 of the compressed gas return.

NOTE: The exemptions can only be claimed by a Mississippi licensed distributor. The governmental entity must assign his claim for exemption to any Mississippi licensed distributor. The exemption may be claimed on the distributor's next return.

Governmental (Partial) Exemptions

The distributor is required to pay the full tax before any exemption is allowed. The partial exemptions are as follows:

- Gasoline - 5.4 cents per gallon.
- Special Fuel - 4.75 cents per gallon.
- Compressed Gas - 3 cents per gallon.

Dyed Diesel for Highway Use

A rate of 18 cents per gallon (as opposed to 5.75 cents per gallon) of dyed diesel or kerosene is levied when sold to a state or local governmental entity for use on the highways in a motor vehicle.

