

## Use Tax for Individuals

### What is the Mississippi Use Tax?

Use tax is due when an individual purchases an item that is normally subject to Mississippi sales tax and the purchase is made from outside the State of Mississippi from a vendor who is not registered with the State of Mississippi to collect sales tax. The rate of use tax due is the same rate the sales tax would have been if the items were purchased in Mississippi. Use tax is due when the items are shipped or delivered to the Mississippi customer from a location outside of Mississippi or if the items are picked up by the customer outside of Mississippi and then transported into this state for use in Mississippi.

### What about internet purchases and mail order purchases?

Mail order purchases and internet purchases of tangible personal property are subject to Mississippi use tax if Mississippi tax was not collected by the seller of the property. There is no exemption from use tax for purchases made over the internet, by phone or through mail order catalogs.

### What if I paid tax to another state?

Credit is allowed for sales tax paid to another state on the purchase of tangible personal property if the purchaser picked up the purchased property in the state where they paid the other state's sales tax. The purchaser must keep the purchase invoice as documentation of the tax paid. The invoice must clearly show the tax collected as a separate item. No credit is allowed for sales tax paid to another state if the purchased property was shipped or delivered by the seller to the Mississippi customer. Additional rules apply to property purchased for business use.

### How do I calculate the Use Tax I owe?

Use tax is due at the same rate of tax as the Mississippi sales tax and is due on the purchase price or value of the property including charges for shipping, handling, surcharges or any other addition to the selling price. Finance charges collected by the seller of the property are not subject to use tax. The following is an example of how to calculate use tax:

Television	\$	900.00
DVD		15.00
Subtotal		915.00
Shipping		25.00
Total Invoice		940.00
Use tax calculated at 7%		7%
Use tax due at 7%	\$	<b>65.80</b>

### How do I pay my Use Tax?

Individuals who are not registered to regularly report use tax may pay on taxable purchases at their local County Tax Collector's office or at any of the offices of the Mississippi Department of Revenue. There is also a line on the Mississippi individual income tax return where you can report your use tax on purchases made during the prior year. Payment for the use tax is then made along with your income tax payment or deducted from any income tax refund you are due.

