

Mississippi - Instructions for 72-010 for Fiscal Year 7/01 through 6/02.

The returns in this booklet have been pre-printed with the taxpayer's name, address, account number, tax period, filing frequency, and due date. This will benefit both taxpayers and the Tax Commission by improving the speed and accuracy with which returns are processed. It also has allowed the Tax Commission to discontinue the use of four sales tax returns. Effective July 1, 1996, Forms 72-011, 72-020, 72-021, and 72-325 have been discontinued. All taxpayers who previously used one of those forms, will use Form 72-010.

Reminders

For the fiscal year July 1, 2001 through June 30, 2002, the following reminders are made to help you file your Sales Tax Return, Form 72-010

- All dollar amounts should be rounded to the nearest whole dollar (no pennies). Round down to the next lower dollar any figure under \$.50 and round up to the next higher dollar any figure \$.50 and over.
- Five Tax Categories (instead of four) can now be entered.
- The name, address, account information, and change of status areas are pre-printed.
- The instructions and Tax Code Table are now included in this booklet instead of on the back of the return.
- The Prime Contractor Tax Schedule has been added to the back of the return.

Purpose of the Sales Tax Return Booklet

The forms in this booklet are used to report the state sales tax. Do not report any use taxes or any special county or city taxes using these forms.

Contents of the Sales Tax Return Booklet

This booklet contains:

- your Sales Tax Returns
- pages for recording your sales tax payments and
- instructions for completing the Sales Tax Returns.

Also enclosed is a supply of envelopes to be used in mailing your Sales Tax Returns and payments to the Tax Commission.

Who must file this Return

Every taxpayer with an active account with the State of Mississippi must file this return. Even if your sales are zero for a given period, you must file a zero return for that period. If you are filing under the Master File Account Number, companies with 10 or more locations, do not use these forms, you must complete Form 72-306 Sales Tax Master File Distribution and Form 72-305, Distribution of Sales Tax by Business Location Schedule.

How you can help to ensure timely processing of your returns

- **Do not staple or paper clip your return.** Fold your return, place your check on top of the folded return, and enclose both in the envelope provided.
- **Use the correct return for each filing period. Each return has a filing period pre-printed on it. Begin using these**

forms for your July return. Do not use these forms for your June return.

- Use the pre-addressed return envelopes that are supplied for sending your return and payment.
- Be sure to complete all portions of the return that apply to you. At a minimum, this would include completion of at least one Tax Category Section and the Tax Summary Section. Contractors must also complete the Prime Contractor Tax Schedule on the back of the return if you have any qualified construction contracts.
- In order to report Contractor's Tax (tax categories 60 or 61), you must first have qualified the projects with the Tax Commission.

Completing the return

Follow the line by line instructions.

Sending in the return

Include your return and your check or money order for the amount on Line 19 in the envelope provided. Write your Sales Tax Account Number on your check. If you have lost your envelopes, mail your return to the **Mississippi Tax Commission, P. O. Box 960, Jackson, MS 39205.**

Sales Tax Return

Tax Categories

The Sales Tax Return is divided into five Tax Category Sections and a Tax Summary Section. The Tax Categories are for different rates or activities. The categories are listed on Page 3. The Tax Category Sections are used to report your sales, deductions, and tax by the category in which they occurred. Use only as many Tax Category Sections as you have different categories. If you need to report more than five tax categories, use the Supplemental Sales Tax Return. If you need a Supplemental Sales Tax Return, call 601-923-7000.

Lines 1a, 1b, 1c, 1d, and 1e

Enter the Tax Code from the Tax Category Table that is assigned to the category of tax you are reporting. **This line must be completed to ensure proper processing of your return.** Use only one Tax Code for each Tax Category. If you have more than five tax categories, use the Supplemental Sales Tax return. **The Tax Code for the General Sales Tax Rate is pre-printed for your convenience on line 1a.**

Lines 2a, 2b, 2c, 2d, and 2e

Enter the total gross sales for the category of tax you are reporting. For Tax Code 93 enter the number of tons.

Lines 3a, 3b, 3c, 3d, and 3e

Enter the deductions that apply to the category of tax you are reporting. The Schedule of Itemized Deductions should be used to itemize all sales that are not subject to sales tax. The total of these items should be split among the applicable rates of tax to

which they apply. The Schedule of Itemized Deductions is on the back of the Sales Tax Return.

Lines 4a, 4b, 4c, 4d, and 4e

Lines 2a, 2b, 2c, 2d, and 2e minus Lines 3a, 3b, 3c, 3d and 3e.

Lines 5a, 5b, 5c, 5d, and 5e

Enter the Tax Rate from the Tax Category Table (on page 3) that corresponds to the category of tax you are reporting. For Tax Code 93 enter .05.

Lines 6a, 6b, 6c, 6d, and 6e

Lines 4a, 4b, 4c, 4d, and 4e multiplied by Lines 5a, 5b, 5c, 5d, and 5e.

Tax Summary

In the Tax Summary, enter the total of the Tax Categories (totals from Lines 6a, 6b, 6c, 6d, and 6e) and calculate the amount you owe.

Line 7

Enter the Total of Lines 6a, 6b, 6c, 6d, and 6e for tax categories to which the vendor discount applies (Tax Codes 12, 13, 28, 56, 65, 73, 74, and 93).

Line 8

Report any excess collections of sales tax.

Line 9

Enter the total of Lines 7 and 8.

Line 10

Multiply Line 9 by 2% and enter the result. This amount is limited to \$50 per return. The vendor discount is not allowed if your return is not filed on time.

Line 11

Enter the result of Line 9 minus Line 10.

Line 12

Enter the Total of Lines 6b, 6c, 6d, and 6e for tax categories to which the vendor discount does NOT apply (Tax Codes 60, 61, 62, 64, 71, 72, 80, 85, 86 and 87).

Line 13

Enter the total of Line 11 plus Line 12.

Line 14

Enter the amount of wholesale tax paid on beer and liquor or other states tax on interstate telecommunications only.

Line 15

Enter the result of Line 13 minus Line 14.

Line 16

Enter the applicable penalty if the return is filed late. The minimum penalty is 10%.

Line 17

Enter any authorized credit memos. Only credit memos received from the Tax Commission should be entered on this line. Attach a copy of any authorized credit memos.

Line 18

Enter any additional assessments. Only additional assessments received from the Tax Commission should be entered on this line. Attach a copy of any additional assessments.

Line 19

Enter the net total of Lines 15, 16, 17, and 18.

Schedule of Itemized Deductions

Line 1

Record sales tax included.

Lines 2 through 8

Record all sales not subject to Mississippi Sales Tax on the line that most closely describes the type of sale. For example, sales of prescription drugs should be recorded on Line 6.

Lines 9 through 11

Record all sales not subject to Mississippi Sales Tax that do not fit one of the types of sales on Lines 2 through 8. Also enter a description.

Line 12

Enter the total of Lines 1 through 11. Transfer this total to Line 3a, 3b, 3c, 3d, or 3e in the Tax Category sections on the front of the return. The total should be split among the applicable rates of tax.

Prime Contractor Tax Schedule

All contractors who have qualified a construction contract with the Tax Commission must complete this schedule. Persons or firms domiciled outside Mississippi are required to qualify and pay the 1 1/2% and the 3 1/2% contractor's tax due on the total contract amount before work is begun unless a surety bond is filed as provided by Section 27-65-21 in an amount sufficient to ensure payment of such taxes.

The first section of the schedule applies only to contracts subject to the 1 1/2% rate. The second section of the schedule applies only to contracts subject to the 3 1/2% rate. If a contract includes both rates of tax, the contract must be entered in both sections of the schedule. The totals of Columns 2, 3, 5, and 6 should be transferred to the appropriate Tax Category section on the front of the return.

Columns 1 and 4

Identify each tax payment with the complete (10 digit) Material Purchase Certificate Number (MPC). **This return cannot be processed without the MPC number.**

Columns 2 and 5

Enter the amount of the contract if tax is being prepaid with this return. If the tax is guaranteed by surety bond or the amount of the contract is \$75,000 or less, report the amount of progress payment received during the month.

Columns 3 and 6

Enter the tax due on the amount in Columns 2 and/or 5.

Total

Enter the totals for Columns 2, 3, 5, and 6. Transfer the totals to the appropriate Tax Category on the front of the return.

Tax Category Table

<u>Tax Category</u>	<u>Tax Code</u>	<u>Tax Rate</u>	<u>Vendor Discount?</u>
General Sales Tax Rate	74	7%	Yes
Trucks (greater than 10,000 lbs.), Mobile Homes, Semitrailers, Aircraft, Farm Implements, etc.	13	3%	Yes
Autos, Motor Homes, Light Trucks (10,000 lbs. or less). After January 1, 1995.	56	5%	Yes
Farm Tractors, Electric Power Associations	12	1%	Yes
Manufacturing Machinery, Industrial Fuel	65	1 1/2%	Yes
Production - Natural Resources	73	7%	Yes
Production - Sand, Gravel, Dirt, Limestone, Clay	93	\$.05 per ton	Yes
Sales or Construction of Floating Vessels - Non-Transportation	28	3 1/2%	Yes
Contracting - Manufacturing	60	1 1/2%	No
Contracting - Other	61	3 1/2%	No
Public Utilities - Industrial Sales	62	1 1/2%	No
Public Utilities - Non-Residential Consumer Sales	71	7%	No
Wholesale - Beer and Whiskey	72	7%	No
Wholesale - Food and Drinks-Full Service	64	8%	No
Interstate Telecommunications	80	5.5%	No
Industrial Fuel Used In The Production Of Electrical Power By A Electrical Utility Company			
Effective July 1, 2000 through June 30, 2001	85	1.125%	No
Effective July 1, 2001 through June 30, 2002	86	0.75%	No
Effective July 1, 2002 through June 30, 2003	87	0.375%	No
Effective After July 1, 2003		Exempt	