May 14, 2014

Dear MPA Member,

Good News! You will no longer have to pay sales tax on your electricity, propane or natural gas bills starting July 1. This is a 1.5 percent savings on your energy bills.

The Mississippi Poultry Association worked during the 2013 legislative session with the Mississippi Farm Bureau Federation and the Mississippi Manufacturers Association to get the tax repealed. The tax cut becomes effective for bills you receive in July.

Enclosed is the affidavit that you must sign to get the exemption. You do not have to present the signed affidavit to your utility provider, but you do have to have it on hand to present to them if asked to prove that you are eligible.

Also enclosed is a document from the Miss. Department of Revenue explaining about the tax change.

If you have any questions about this, contact the MPA office at 601-932-7560 or Mark Leggett at 601-259-4659 or Leggett@mspoultry.org or Bill Rosenblatt at 601-942-9269 or bill@mspoultry.org.
NOTICE TO TAXPAYERS CONCERNING THE EXEMPTION OF FUELS WHEN SOLD TO CERTAIN TYPES OF BUSINESSES

House Bill 844 of the 2013 Regular Session amends Miss. Code Ann. Section 27-65-107 to exempt from sales taxation the sale of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to manufacturers, custom processors, technology intensive enterprises, and to public service companies when used for industrial purposes. Industrial purposes includes the generation of electricity, the operation of an electrical distribution or transmission system, the operation of pipeline compressors or pumping stations or the operation of railroad locomotives.

The bill also exempts from sales taxation the sale of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel when sold to a producer or processor for use directly in the production, of poultry products, livestock products, domesticated fish products, marine aquaculture products, plant or food products produced by commercial horticulturists, the processing of milk products, the processing of poultry and livestock feed and the irrigation of farm crops. The exemption also applies to commercial fishermen, shrimpers and oystermen on the sale of any of the fuel listed above.

Effective with the law change, direct pay permit holders should provide their service provider with a copy of their direct pay permit to exempt the applicable sale. Eligible businesses listed above that are not issued direct pay permits should complete the Affidavit for Utility Exemption found on our website and provide a copy to their service provider. The service provider should retain the affidavit for proper documentation of the exemption.

This exemption only applies to the purchases mentioned above. Proper documentation must be retained in order to substantiate the exemption.

The reduced rate of tax applies to sales *billed* from and after July 1, 2014 and does not apply to sales billed prior to July 1, 2014.

Please contact the Sales and Use Tax Bureau should you need additional information.
STATE OF MISSISSIPPI, COUNTY OF (County of Notary Public) BEFORE ME, the undersigned authority, on this day personally appeared (Organization Representative's Name) of (Organization Name), who after being by me first duly sworn, on oath deposed and said:

Under the penalty of perjury, I hereby certify that the organization named above is a (Choose only ONE of the following entities)

☐ Custom Processor. I further certify that purchases of electricity, current, power, natural gas, liquefied petroleum gas or other fuel sold to the organization named above will be utilized directly in the organization’s commercial operations and meets the criteria provided for in Miss. Code Ann. § 27-65-107(f).

☐ Technology Intensive Enterprise. I further certify that purchases of electricity, current, power, natural gas, liquefied petroleum gas or other fuel sold to the organization named above will be utilized directly in the organization’s commercial operations and meets the criteria provided for in Miss. Code Ann. § 27-65-17(1)(f).

☐ Public Service Company. I further certify that the purchases of electricity, current, power, natural gas, liquefied petroleum gas or other fuel sold will be used directly by the producer or processor named above in the production of poultry products, livestock products, domesticated fish products, marine agriculture products, milk products, the production of plants or food by commercial horticulturists, the processing of poultry and livestock feed and the irrigation of farm crops. See Miss. Code Ann. § 27-65-107(f).

☐ Agricultural Producer or Processor. I further certify that the purchases of electricity, current, power, natural gas, liquefied petroleum gas or other fuel sold to the organization named above will be used directly in the organization's commercial operations and will be for industrial purposes which includes that used to generate electricity, to operate an electrical distribution or transmission system, to operate pipeline compressors or pumping stations or to operate railroad locomotives. See Miss. Code Ann. § 27-65-107(f).


☐ Church. I further certify that the organization named above is a church, which is exempt from federal income taxation under 26 USCS Section 501(c)(3) and that purchases of potable water, electricity, current, power, natural gas, liquefied petroleum gas or other fuel sold to the church will be utilized on property that is primarily used for religious or educational purposes and qualifies for exemption from sales tax as provided in Miss. Code Ann. § 27-65-19(1)(a)(ii).

Furthermore, I certify and agree that if the above-named organization or I fail to adhere to the selected provision provided above, that the above-named organization and/or I will pay to the Mississippi Department of Revenue the difference between the rate paid to vendors when making eligible purchases as described herein and the regular retail rate of sales tax. Moreover, I acknowledge that failure to adhere to the provisions provided herein will result in tax being due and payable at the seven percent (7%) retail rate, a fifty percent (50%) fraud penalty and the applicable rate of interest per month provided in Miss. Code Ann. § 27-65-39, from the date of purchase until this additional tax is paid to the Mississippi Department of Revenue. Finally, I acknowledge that if the organization ceases operating as the selected eligible organization I will notify the dealer so that applicable sales tax rates may be charged on future purchases, and that failure to notify the dealer will result in liability to the organization for the tax due, including penalty and interest, as stated above.

Visit our website at www.dor.ms.gov for more information concerning each exemption.

WITNESS MY SIGNATURE, this the ______ day of __________________, 20_____.

(Representative's Printed Name) __________________________ (Representative's Signature) __________________________

(Organization's Mailing Street Address, City, State, Zip Code) __________________________

Work Phone # (         ) - Alt. Phone # (         ) - Email __________________________

NOTARY PUBLIC ACKNOWLEDGMENT

STATE OF MISSISSIPPI, COUNTY OF (County of Notary Public) .

Personally appeared before me, the undersigned authority in and for the said county and state, on this ______ day of ____________, 20_____.

within my jurisdiction, the within named ________________ , who acknowledged that he/she is the ________________ and that in said representative capacity he/she executed the above and foregoing instrument after have been duly authorized to do so.

Notary Public Name: __________________________

Signature: __________________________

Commission Expiration: __________________________