

Sub Part 03 Taxability
Chapter 02 Isolated, Casual or Occasional Sales

100 Sales Tax

- 101 Isolated or occasional sales, except sales of motor vehicles, made by persons not regularly engaged in business are not subject to sales tax. No sale, except a sale of a motor vehicle, is taxable under the Sales Tax Law if it is not made in the regular course of the business of a person selling tangible personal property.
- 102 "Motor vehicle" means a motor vehicle required to be registered or licensed by County Tax Collectors pursuant to Miss. Code Ann. Section 27-19-43. This includes private carriers of passengers, school buses, church buses, taxicabs, ambulances, hearses, motorcycles, private carriers of property, and private commercial carriers of property and drays of a gross weight of 10,000 pounds or less.
- 103 Transfers of motor vehicles from any person, firm, or corporation not considered to be a licensed dealer to any person, firm, or corporation is subject to a five percent (5%) casual sales tax based on the true value of the motor vehicle as calculated by the official motor vehicle assessment schedule provided by the Department pursuant to Miss. Code Ann. Section 27-65-201. The tax due on such sales or transfers are to be paid by the purchaser(s) to the County Tax Collector at the time the motor vehicle is registered or licensed.
- 104 Transfers of motor vehicles are not subject to the casual sales tax if the transfer is:
1. Between a husband and wife; a parent and child; a grandparent and grandchildren; or siblings,
 2. Pursuant to a will or any law providing for the distribution of the property of any person having died without a legal will,
 3. Pertaining to a motor vehicle that is ten (10) or more years old based on the date of the vehicle's manufacture,
 4. Between a trustee and a beneficiary of the trust as evidenced by a completed Affidavit of Motor Vehicle Title Transfer,
 5. Between a corporation and one (1) of its shareholders in a transaction that qualifies for nonrecognition of gain or loss in accordance with Section 351 of the IRS Code, as evidenced by a completed Affidavit of Motor Vehicle Title Transfer, or
 6. Between a partnership or limited liability company and one (1) of its partners or owners, as evidenced by a completed Affidavit of Motor Vehicle Title Transfer.
- Using a licensed dealer in the transfer of a motor vehicle will void the tax exemptions listed above; the licensed dealer will be responsible for collecting and remitting the applicable sales tax.
- 105 All sales made by officers of a court, pursuant to court orders, are occasional sales, except for sales made by trustees, receivers, assignees, and the like in connection with the liquidation or conduct of a regularly established place of business. Examples of casual sales are those made by sheriffs in foreclosure proceedings, sales of confiscated property, and sales of tangible personal property, such as used equipment when the sale represents the

disposal of capital assets that the seller does not offer for sale in his regular course of business. Example: Anyone selling his old boat rather than trading it in on a new one.

- 106 The bulk sale of an inventory of merchandise to a dealer is exempt from sales tax. This exemption does not include the liquidation of a business when the inventory is sold to the general public at sale or auction.
- 107 Mobile homes, vehicles (except motor vehicles as defined above) or other personal property repossessed by a bank or finance company and resold through the dealer who made the original sale will be regarded as a casual sale and will not be subject to sales tax. All other sales of repossessed property are subject to sales tax.
- 108 Sales of personal property (except for motor vehicles as defined above) through auctions, flea markets, antiques malls, or other similar establishments, are not classified as isolated, casual, or occasional sales.
- 109 (Reserved)
- 200 Use Tax
- 201 Use tax will not be applicable to non-business personal property acquired outside of this State under conditions where a similar acquisition in this State would not be subject to sales tax. Business property acquired in any manner and imported into this State for use in a business is subject to use tax, with proper credit allowed for another state's tax.
- 202 (Reserved)

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