

Bond Case Briefs

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Castigliola v. Mississippi Dept. of Revenue

Supreme Court of Mississippi - April 30, 2015 - So.3d - 2015 WL 1955575

Taxpayer challenged Mississippi Department of Revenue's use tax assessment on his purchase of a yacht in Florida involving marketing services of a broker. The Chancery Court granted summary judgment for the Department. Taxpayer appealed.

The Supreme Court of Mississippi held that:

- The Department had burden to prove the purchase was within the state's statutory authority to tax, and
- As a matter of first impression, taxpayer's use of a broker did not make the casual sale taxable.

Casual-sales exception to sales and use tax was an exclusion and not an exemption, therefore, Mississippi Department of Revenue had the burden to prove taxpayer's boat purchase in Florida was within the state's statutory authority to tax.

Taxpayer's use of a broker, in what was otherwise a casual sale, to purchase a yacht in Florida, in order for taxpayer to qualify for Florida sales tax exemption, did not trigger Mississippi's use tax, and therefore, Mississippi Department of Revenue's tax assessment was arbitrary and capricious.