

Joseph L. Blount, *Chairman  
and Commissioner of Revenue*

Terry L. Jordan  
*Associate Commissioner*

Donald L. Green  
*Associate Commissioner*



MISSISSIPPI  
STATE TAX COMMISSION

Sales and Use Tax Bureau  
1577 Springridge Road  
Raymond, Mississippi 39154

Post Office Box 1033  
Jackson, Mississippi 39215

Telephone: 601-923-7015  
Fax: 601-923-7034

March 31, 2006

Joseph Morgan  
Director of Procurement Services  
The University of Southern Mississippi  
118 College Drive #5174  
Hattiesburg, MS 39406-0001

Re: Request for Information  
Sales Tax Exemption  
File No: LR-06-090

Dear Mr. Morgan:

This is in response to your letter of March 24, 2006, regarding an exemption from sales and use taxes for the University of Southern Mississippi.

After reviewing the information supplied by you and a search of the applicable statutes, this office has determined that the University of Southern Mississippi does qualify for exempt status from sales and use taxes as provided by authority of Section 27-65-105 (b), Mississippi Code of 1972. This exemption provides that sales of tangible personal property and services to schools are exempt from sales tax, when such schools are supported wholly or in part by funds provided by the State of Mississippi, provided that this exemption does not apply to sales of property which is not to be used in the ordinary operation of the school, or which is to be resold to the students or the public. **As a prerequisite to exemption, the sale of property or charge for services must be sold directly to, billed directly to and paid for directly by the exempt entity.**

This exemption does not apply to sales of tangible personal property or services to contractors purchased in the performance of contracts with the exempt entity, or to employees of the exempt entity, although the contractor or employee may be reimbursed for the expense by the exempt entity. The exemption also does not apply to Production Taxes nor Contractors Taxes levied by Sections 27-65-15 and 27-65-21, Mississippi Code of 1972, respectively. Any misuse of this exemption will result in its' revocation.

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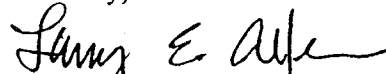
You may present a copy of this letter to your vendors as proof of your exempt status. If we can be of further assistance, please do not hesitate to contact us at (601) 923-7015.

This letter ruling is based on the specific facts and circumstances that you communicated to the Tax Commission. This ruling is not binding on the Commission if these facts and circumstances are inaccurate, contain a material omission of a relevant fact or facts to the issue(s) presented or if such facts and circumstances change. This letter ruling is also only valid for seven (7) years from the date of this letter. At the end of this seven (7) year period, you are free to update your information and request another letter ruling if you wish. This ruling is only applicable to you or to your client if you are requesting this ruling on behalf of another and can only be relied upon by the person for whom the ruling was requested.

If the facts and circumstances presented in your request are accurate, complete and do not change for the seven (7) year period indicated above, the person for whom it was requested can rely upon this ruling unless and until there is a change in the law or regulation or the issuance of judicial decision that indicates that the ruling is no longer correct or the Commission retracts the ruling. The Commission does reserve the right to retract this ruling if it later determines on its own review that the ruling is wrong. Such a retraction would be in writing and the effect of the retraction would be prospective from the date of the retraction letter.

If you have any further questions, please don't hesitate to contact this office.

Sincerely,



Larry E. Allen, Branch Director  
Sales and Use Tax Bureau