



Ed Buelow, Jr., Chairman
Commissioner of Revenue

Sales Tax Division
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Lisa W. Davis, CPA
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MISSISSIPPI
STATE TAX COMMISSION

June 2, 2000

Mr. Robert K. Davis
Director, Tax Accounting
University of South Alabama
Administration Building - Room 380
Mobile, AL 36688-0002

Dear Mr. Davis:

This is to confirm that the University of South Alabama, a non-profit corporation, qualifies for sales tax exempt status pursuant to Section 27-65-11(1)(a), Mississippi Code of 1972, which provides that sales of tangible personal property or services made to, "Elementary and secondary grade schools, junior and senior colleges owned and operated by a corporation or association in which no part of the earnings inures to the benefit of any private shareholder, group or individual and which are exempt from state income taxation, provided that this exemption does not apply to sales of property or services which are not to be used in the ordinary operation of the school, or which are to be resold to the students or the public." As a prerequisite to this exemption, the sale of property or services must be directly to, or 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, nor the employees of the exempt entity, even though said contractors or employees have been refused for entry on the premises of 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.

You may provide a copy of this letter to your vendors in order to substantiate your non-payment status. Should you have any other questions, feel free to contact this office at (601)923-7015.

Sincerely,

Carl Carlisle, Deputy Director

Sales and Use Tax Bureau