Ed Buelow, Jr., Chairman
and Commissioner of Revenue

Russell E. Hawkins, CPA
Associate Commissioner

Terry L. Jordan
Associate Commissioner

MISSISSIPPI
STATE TAX COMMISSION

Sales and Use Tax Bureau
Post Office Box 1033
Jackson, Mississippi 39215
Telephone: 601-923-7015
Fax: 601-923-7034

RECEIVED
MAY 29 2002

May 21, 2002

Deborah J. Smith, Administrative Assistant
MIT Procurement Dept.
77 Mass Ave
Cambridge, MA 02139

Re: Sales Tax Exemption

Dear Ms. Smith:

This is in response to your letter of May 21, 2002, in which you asked that we provide you with a statement verifying the Massachusetts Institute of Technology's exemption from sales and use tax.

This is to confirm that the Massachusetts Institute of Technology does qualify for sales tax exempt status pursuant to Section 27-65-111(g), Mississippi Code of 1972. This Section 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 are exempt from sales tax. 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 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 applies to sales of annuals, awards, articles of clothing or jewelry given in recognition of accomplishments and rental of caps and gowns when sold to, billed to, and paid for directly by the school. However, 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, 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.

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

Sincerely,

Greg Duke

Greg Duke, Deputy Director
Sales and Use Tax Bureau