

Letter Ruling



Date: October 13, 2014

Letter ID: L0051374848



KIMBERLY C. MCCURLEY MISSISSIPPI DEPARTMENT OF EDUCATION PO BOX 771 JACKSON MS 39205-0771

Reference: Tax Exemption Inquiry Letter Ruling Number: 14-0362

This is in response to your letter dated June 27, 2014, requesting that the Mississippi Department of Revenue provide a ruling regarding whether purchases made under Education Enhancement Fund (EEF) procurement cards program are exempt from Mississippi sales and use tax. Your request has been assigned the letter ruling number listed above. Please use this number in any further correspondence with the DOR concerning this request.

Miss. Code Ann. Section 37-61-33(3)(a)(iii) provides that funds deposited into the Education Enhancement Fund shall be appropriated for classroom supplies, instructional materials and equipment, including computers and computer software, which are to be distributed to all eligible teachers within the state through the use of procurement cards. In addition, local school boards shall require each school to issue procurement cards provided by the Department of Finance and Administration under the provisions of Section 31-7-9(1)(c) for the use of teachers and necessary support personnel in making instructional supply fund expenditures under this section, consistent with the regulations of the Mississippi Department of Finance and Administration pursuant to Miss. Code Ann. Section 31-7-9.

Accordingly, classroom supplies, instructional materials and equipment, including computers and computer software utilized by teachers in the classroom, purchased through the use of the Education Enhancement Fund procurement cards are exempt from sales and use tax pursuant to Miss. Code Ann. Section 27-65-105(a).

This exempt does not apply to purchases of property not mentioned in this letter nor does it apply to Contractors Tax levied by Miss. Code Ann. §27-65-21.

You may use a copy of this letter in order to substantiate the sales tax exemption allowed for purchases of classroom supplies, instructional materials and equipment, including computers and computer software under the Education Enhancement Fund procurement cards program. I trust that this is the information you were requesting. Should you have any additional questions, feel free to contact this office at (601) 923-7015.

Under Miss. Code Ann. Section 27-65-85(a), it shall be unlawful for any person to use an exemption authorized under the Sales Tax laws for the purpose of avoiding the payment of tax the person is required to pay by law. Any person violating this provision shall be guilty of a misdemeanor and, on conviction thereof, shall be fined not more than Five Hundred Dollars (\$500.00), or imprisoned not exceeding six (6) months in the county jail, or punished by both such fine and imprisonment, at the discretion of the court.

This letter ruling is based on the specific facts and circumstances that you communicated to the DOR. This ruling is not binding on the DOR 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 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 the ruling is no longer correct or the DOR retracts the ruling. The DOR does reserve the right to retract this ruling if it later determines on its own review that the ruling is incorrect. Such retraction will be in writing and the effect of the retraction will be prospective from the date of the retraction letter.

Sincerely,

Phillip Griffin
(601) 923-7194
Mississippi Department of Revenue