



North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

March 30, 2012

Account ID: [REDACTED]  
FEIN: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Re: Private Letter Ruling

Dear Mr. [REDACTED]

Your letter to Secretary [REDACTED] dated December 6, 2011, has been forwarded to this Division for a reply. You have requested a ruling from the Department regarding the [REDACTED] (" [REDACTED] ") North Carolina sales and use tax liability.

Section 37-1 A of the North Carolina Sales and Use Tax Technical Bulletins provides that "[s]ales by and sales directly to the United States Government, or any agency or instrumentality thereof, are not subject to sales or use tax. In order for the sale to be exempt, the government, agency, or instrumentality involved must make the purchase of the property, obtain title to the property before or at the time it is delivered, and pay directly to the vendor the purchase price of such property or use a United States Government credit card to pay the vendor the purchase price of such property."

14 U.S.C., Section 821 provides that the [REDACTED] is "a nonmilitary organization administered by the [REDACTED] [of the [REDACTED] . . ." Section 821 further states "Each organizational element or unit of the [REDACTED] organization (but excluding any corporation formed by an organizational element or unit of the [REDACTED] under subsection (c) of this section), shall, except when acting outside the scope of section 822, at all times be deemed an instrumentality of the United States . . ." Therefore, sales by and sales directly to the [REDACTED] including qualifying [REDACTED] [REDACTED] [REDACTED] and [REDACTED] are not subject to sales or use tax. This exemption from sales and use tax does not include purchases of travel expenses, including food and lodging, by a federal employee or other individual who is individually billed and later reimbursed by the Federal Government.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

If you have any questions, you may reach me at the number listed below.

Very truly yours,

Administration Officer  
Sales and Use Tax Division

Attachment

cc: , Director of Sales and Use Tax Division