



## North Carolina Department of Revenue

Pat McCrory  
Governor

Lyons Gray  
Secretary

February 11, 2013

FEIN: [REDACTED]  
Account ID: [REDACTED]

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

Attention: [REDACTED]

Re: [REDACTED]

Dear Mr. [REDACTED]

Pursuant to our review of your letter dated January 16, 2013 and Mr. [REDACTED]'s letter dated July 18, 2012, and the supporting documentation, the Department finds that [REDACTED] ("[REDACTED]") is a division of [REDACTED] ("University"), a State agency under the provisions of N.C. Gen. Stat. § 105-164.3(43). As a division of a State agency, [REDACTED] is exempt from sales and use tax on purchases of items subject to tax under N.C. Gen. Stat. § 105-164.4, other than electricity, telecommunications service, and ancillary service as defined in G.S. 105-164.3, provided all of the conditions set out in N.C. Gen. Stat. § 105-164.13(52) are met. Additionally, as a division of the University, [REDACTED] is not subject to the one (1%) privilege tax imposed pursuant to Article 5F of the Revenue Laws of North Carolina.

N. C. Gen. Stat. § 105-164.13(52) provides the following conditions must be met:

- a. The items are purchased by a State agency for its own use and in accordance with G.S. 105-164.29A.
- b. The items are purchased pursuant to a valid purchase order issued by the State agency that contains the exemption number of the agency and a description of the property purchased, or the items purchased are paid for with a State-issued check, electronic deposit, credit card, procurement card, or credit account of the State agency.
- c. For all purchases other than by an agency-issued purchase order, the agency must provide to or have on file with the retailer the agency's exemption number."

As a division of the University, [REDACTED] should use the State agency exemption number issued to the University ([REDACTED]) to purchase qualifying items exempt from tax. It is my understanding that [REDACTED] will clarify on its purchase orders that qualifying purchases are for "[REDACTED] University d/b/a/[REDACTED] [REDACTED]"

February 11, 2013

Page 2

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. Thank you for your assistance in resolving this matter.

Sincerely,

, Director  
Sales and Use Tax Division