October 16, 1997

DUKE UNIVERSITY
BOX 90478
DURHAM NC 27708-0478

Dear Sir / Madam:

Your application for Purchase Exemption has been reviewed.

Under the provisions of the Kentucky sales tax gross receipts from sales to an out-of-state agency, organization or institution exempt from sales and use tax in its state of residence are exempt from the Kentucky sales tax when the agency, organization or institution gives proof of its tax-exempt status to the seller and the seller maintains a file of such proof. Such sales must be paid for directly by the exempt agency, organization, or institution. Also, an Out-Of-State Exemption Certificate, Revenue Form 51A127 executed by the seller to substantiate the exempt status of the sale. A supply of the certificates is enclosed for your use.

The term "out-of-state agency, organization, or institution" includes other states, their agencies, instrumentalities, counties, cities, etc., and nonprofit out-of-state organizations and institutions such as educational institutions, churches, and hospitals.

Receipts derived from lodgings, meals, materials, and equipment are all eligible for the above exemption. **THIS DOES NOT EXEMPT YOUR AGENCY FROM MOTOR VEHICLE USAGE TAX WHEN PURCHASING A VEHICLE, OR U-DRIVE-IT TAX WHEN RENTING A MOTOR VEHICLE.**

If you require additional information or assistance in this matter, you may write the Revenue Cabinet, Sales and Use Tax Section, Station 53, PO Box 181, Frankfort, Kentucky 40602, or call 502-564-5170.

Sincerely,

Betty Stull
Revenue Examiner III
Sales and Use Tax Section
Division of Compliance and Taxpayer Assistance
Station 53

BS/aws

AN EQUAL OPPORTUNITY EMPLOYER M/F/D