



June 4, 2012

Account Number:

Northcentral Mississippi Electric Power Association received a notice from the Mississippi Department of Revenue that effective July 1, 2012, House Bill 582 will exempt utilities sold to churches. The church must be exempt from federal income taxation under 26 USCS Section 501 (c) 3 to qualify for the exemption from taxes on utilities.

Northcentral is required to receive a determination letter from the IRS certifying that the church is a 501 (c) 3 entity or if the church does not have the determination letter we are required to receive a completed and notarized "Affidavit of Church Purchasing Utilities" form from the church before we can stop collecting sales tax. Please note that this affidavit will require updating at the end of each calendar year.

We have attached the Mississippi Department of Revenue Notice 72-12-005 and the "Affidavit of Church Purchasing Utilities". Once the church has provided the required documentation Northcentral will stop collecting sales tax on accounts that qualify for the exemption. These will start with July 2012 usage which is billed in August 2012 or whichever month after this date coincides with when we receive the correct documentation.

If you have any questions please contact Mark Nichols, Director of Administration at (662) 892-4726.

Thank you for your time.

Mark Nichols
Director of Administration