

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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May 19, 2010

RE: LR-10-022; Sales Tax Inquiry

Dear

I am writing this letter in response to your request regarding the sales transaction described in your letter. Set forth verbatim are the facts presented along with the question posed and the response thereto.

Facts:

My name is _____ and I am the Branch Manager for _____ in _____ I have a customer in _____ that is engaged in the business of selling equipment and supplies to the US Government. He recently had the opportunity to bid on a piece of equipment that was to be sold to the _____. Since I am in the area of _____, I was given the opportunity, along with several other companies, to bid on the machine. I won low bid and proceeded to order the unit.

When the unit arrived, we performed an inspection on it, and delivered it to the _____ in _____. We invoiced our customer _____ who in turn invoiced his customer _____ At no time did our customer in _____ take possession of the unit. It was delivered to _____ on his behalf by our company.

Question:

Is this a taxable sale? If not, what supporting documentation could be provided to me to attach my sale?

Response:

Unless otherwise exempted, the sale of the machine in question to your customer in _____ is subject to Oklahoma Sales Tax. If your _____ customer is and claims an exemption as a reseller, Oklahoma will recognize the described transaction as an exempt sale for resale. Regarding this transaction, _____ should obtain an exemption.

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certificate listing the customer's resale number issued by its home state with written confirmation that it is in the business of reselling the items being purchased, and that the items being purchased are for resale. The certificate should be signed by a person authorized to bind the customer. The certification may be made in the manner set forth in paragraph (1) of Oklahoma Administrative Code 710:65-13-200, a copy of which is enclosed. See also OAC 710:65-7-8.

This response applies only to the circumstances discussed in your written request of January 14, 2010. Pursuant to Commission Rule 710:1-3-73(e), this Letter ruling may be generally relied upon only by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

A handwritten signature in cursive script, appearing to read "Marc Morrison".

Marc Morrison
Tax Policy Analyst