OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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August 16, 2000

Re: Our file Number LR-00-17; Use tax on motors shipped into Oklahoma for further fabrication.

Dear

This is in response to your inquiry in which you ask whether use tax applies on the purchase price of motors your company purchases, has shipped into Oklahoma for further fabrication and then has shipped to another state. The units in which the motors are incorporated are to be used by your company in the construction of a cement plant in the other state.

Section 1402 of Title 68 of the Oklahoma Statutes, requires that the use tax be paid on goods temporarily brought into Oklahoma for further fabrication, if they are intended for use in another state. However it also allows for a credit to be taken once the goods are removed from Oklahoma. A copy of this section of the statutes is enclosed.

This response applies only to the circumstances set out in your request of October 17, 1999, and may not be relied upon by any entity other than the addressee. In the event of any change in the facts surrounding the transaction described, this letter ruling would no longer be applicable. You are further advised that subsequent statutory or administrative rule changes or judicial construction of the statutes or rules upon which this advice is based may yield a different result from that which is expressed here

Sincerely,
OKLAHOMA TAX COMMISSION

Michael G. Pillow
Tax Policy Analyst