# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063


May 31, 2000

Re: Our File No. LR-00-101, (Sales Tax) Taxability of red-dyed fuel purchased for use in manufacturing equipment.

Dear

This letter is in response to your inquiry as to whether the sale of red-dyed diesel fuel would be subject to sales tax. As stated in your letter the red-dyed fuel is purchased for use in your concrete batch plant, cement storage pig blower and the loader, all of which are used exclusively in your manufacturing process as approved under tax number

The sale of red dyed diesel to an approved manufacturer who uses the diesel to power such equipment that is exclusively used in the manufacturing process would be exempt from sales tax. The manufacturer shall provide specific documentation to the vendor upon purchasing the diesel as set out under Tax Commission Rule 710:65-7-6 (2), which states:

"**Sales to a manufacturer.** In the case of sales to purchasers claiming exemption for manufacturing, the vendor must obtain the items of information set out in this paragraph:

(A) A **copy** of the purchaser's manufacturer's exemption permit issued pursuant to 68 O.S.Supp.1998, Sec.1359.2 (hereafter referred to as "Sales/Manufacturers Permit"), **or if unavailable**, the name, address, and Sales/Manufacturers Permit number of the purchaser **or**, a statement that contains the information that would appear on the Sales/Manufacturers Permit. If a copy of the Sales/Manufacturers Permit is unavailable and if the information provided has not been previously verified, it must be verified by either calling the Taxpayer Assistance Division or by reference to the sales tax permit list obtained pursuant to *OAC* 710:65-9-6;
(B) Statement that articles are being purchased for use in the production process at a manufacturing site; and,
(C) Signature of the purchaser or a person authorized to legally bind the purchaser".

If you should have any questions or need additional information you may contact me at 405-521-3133.

This response applies only to the circumstances set out in your request of May 16, 2000 and may not be relied upon by an 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,

Mark J. Hendrix
Tax Policy Analyst