

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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September 19, 2000

Re: Our file number LR 00-150; Income Tax Withholding

Dear

This is in response to your inquiry of July 25, 2000 wherein you requested guidance concerning withholding on Texas residents currently working in Oklahoma. The Texas residents will over a period of time transition to a Texas location.

Specifically you posed the following questions.

1. How should the employer handle this transition from an Oklahoma employee to a Texas employee for withholding tax purposes?

The employer should only withhold on the portion of the wages earned while in Oklahoma. The W-2 should reflect both Oklahoma and Texas wages.

2. Also, if an employee comes to the Oklahoma location infrequently in a supervising role, will he be subject to Oklahoma withholding tax.

The statute carves out an exception to withholding requirements for persons who are not residents and have less than three hundred dollars (\$300.00) of Oklahoma income. If the frequency generates more than \$300.00 in a quarter, then withholding could be required.

This response applies only to the circumstances set out in your request of July 25, 2000. 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 that there has been no change in applicable law.

If I can be of further assistance, please feel free to call me at (405) 521-3133.

Sincerely,

FOR THE OKLAHOMA TAX COMMISSION



Michael C. Kaufmann
Tax Policy Analyst