

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

April 17, 2001

Re: Our File Number LR-01-34; Services relating to telecommunications and telecommunications equipment

Dear

Please be advised that labor charges for installation, repairs or other special services are not taxable if the vendor and vendee agree to them separately and they are disclosed as a separate line item on the bill or invoice. See Commission Rules 710:65-19-158 and 710:65-19-159. However, there is one exception to this general rule. Section 1354 (4) of Title 68 levies a sales tax on "all local telecommunications service and rental charges including all installation and construction charges and all service and rental charges having any connection with transmission of any message or image." See Commission Rules 710:65-19-329 and 710:65-19-330.

Therefore, the transactions listed in your correspondence are subject to sales tax. Copies of the Statute and Commission Rules referenced are enclosed for your information. If I can be of further assistance, please feel free to contact me.

Sincerely,

Brenda J. Sullivan
Tax Policy Analyst

Enclosures

2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION