

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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May 23, 2001

Re: Our file Number LR-01-064; Use tax due on aircraft parts brought into Oklahoma.

Dear

This is in response to your inquiry concerning the subject noted above. I have scanned your scenario into the letter. It is followed by our response.

## **Scenario**

would locate a small facility in Oklahoma (probably in Oklahoma County).

Parts would be shipped to that facility to be inspected and then shipped to buyers, most of whom would be out of state. Most of the parts would be shipped within a few months with a small percentage retained for up to a year.

If I understand the rule you sent me if we brought in an initial shipment of parts purchased for \$500,000 we would need to pay a tax of \$22,500 for which we would receive a credit when the parts are shipped out of state.

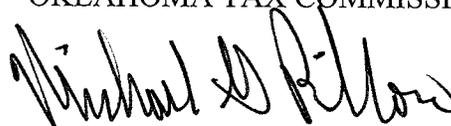
## **Response**

Your understanding would be correct except for the fact that, as we discussed over the telephone, some of the parts would be the property of another company and some of the parts would be the property of but all would be held for resale. In these circumstances, the exemption for items purchased for resale before being used, found in section 1404 of the Use Tax Code, would apply if both companies held Oklahoma Sales Tax Permits and no tax would be due when the parts are brought into Oklahoma.

This response applies only to the circumstances set out in your request of May 18, 2001. 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 contact me.

Sincerely,  
OKLAHOMA TAX COMMISSION

A handwritten signature in black ink, appearing to read "Michael G. Pillow". The signature is written in a cursive style with a large, stylized initial "M".

Michael G. Pillow  
Tax Policy Analyst