

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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June 14, 2001

Re: Our file Number LR-01-078; Sales tax on certain charges made in connection with leases or rentals

Dear

This is in response to your inquiry in which you ask whether separately stated charges for Loss or Damage Waivers ("LWD") and separately stated charges for the installation of the equipment that is rented or leased by your company are subject to sales tax.

Although you compare the "LWD" to an insurance policy, since no policy of insurance is issued, the "LWD" is instead a modification of the terms of the lease or rental, and as such, charges for the "LWD" are subject to sales tax.

Separately stated charges for installation are not subject to sales tax as set out in Oklahoma Tax Commission Rule 710:65-19-159. A copy is attached.

This response applies only to the circumstances set out in your request of May 25, 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

Michael G. Pillow
Tax Policy Analyst