

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

August 20, 2001

Re: Our file number LR 01-127; Income Tax Withholding - Oil and Gas Royalties

Dear

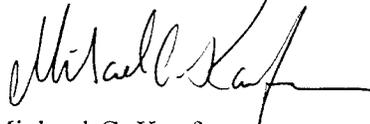
I am in receipt of your letter of August 14, 2001 wherein you requested guidance regarding the implementation of SB 495. The issue is whether income tax withholding is required on override royalties, specifically a letter from the Oklahoma Tax Commission dated June 12, 2001. Please find enclosed a copy of a subsequent letter (dated July 5, 2001) reversing the June 12, 2001 letter. Income tax withholding is still required on override royalties.

This response applies only to the circumstances set out in your request of August 17, 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 call me at (405) 521-3133.

Sincerely,

FOR THE OKLAHOMA TAX COMMISSION



Michael C. Kaufmann
Tax Policy Analyst