

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

August 24, 2001

Re: Our file Number LR-01-129; Sales tax on leased trailers.

Dear

This is in response to your inquiry, made through your accountant about the subject referenced above.

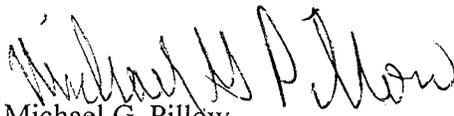
The facts are that a leasing company leases auto hauling trailers to professional drivers for their use in delivering vehicles to or from auto dealers. The trailers are titled and registered in the name of the leasing company and are on an open end lease, which is paid weekly but which is expected to continue for a minimum of six months.

There is no exemption in the sales tax code for leases of this type and therefore the gross proceeds of the lease are subject to sales tax. The exemption, found at 68 O.S. Section 1355(6), for leases of motor vehicles, where the term of the lease is twelve months or more is not applicable since the term is not set at a term of 12 months or more.

This response applies only to the circumstances set out in your request of August 20, 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