

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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September 21, 2001

Re: Our file Number LR-01-148; Sales tax on a portion of the lease payments of a copier and the taxability of the sale of copies.

Dear

This is in response to your inquiry concerning the subject referenced above. I have set out your question below, followed by our response:

"My question is this, isn't the State of Oklahoma collecting sales tax twice for the same copy, once from my lease click charge and then again from the resale of that copy to a retail customer?"

Our response is that sales tax is to be computed based on the taxability of each separate transaction. In your situation, there are two transactions. The first is the transaction between your business and the lessor of the copier. The second is the transaction between your business and the end purchaser of the copy. Oklahoma Tax Commission rule 710:65-19-259, a copy of which is enclosed, covers both transactions and states that each is taxable.

This response applies only to the circumstances set out in your request of September 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



Michael G. Pillow
Tax Policy Analyst

Enclosure