

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

December 18, 2001

Re: Our file number LR 01-160; Income Tax - Withholding on Non Resident Oil & Gas Income

Dear

This is in response to your inquiry of September 24, 2001 wherein you inquired as to the applicability of withholding under 68 O.S. § 2385.25 et seq. as it applies to your corporation.

Your corporation is located in Texas that has Oklahoma oil and gas production. The fact that you produce oil and gas income in Oklahoma does not make Oklahoma your principal place of business. Rather, we look at where your corporation actually operates in terms of management of the entity. Filing of income and franchise tax returns do not alone determine principal place of business. As such, it is the opinion of this office that withholding under 68 O.S. § 2385.25 et seq is still required.

This response applies only to the circumstances set out in your request of September 24, 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