

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

October 29, 2001

Re: Our file Number LR-01-168; Sales Tax on sales to a contractor with the Department of the Army.

Dear

This is in response to your inquiry concerning the subject referenced above.

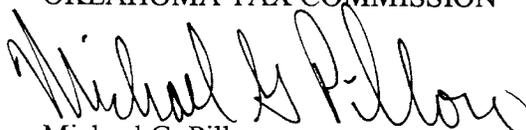
Your have forwarded with your letter, a copy of a letter dated November 9, 1998 written by a contracting officer concerning a contract with the Department of the Army. Although the letter states that the material purchased under the contract mentioned in the letter will become the property of the U.S. Government and should therefore be purchased tax exempt, it is not clear that that is in fact the case.

As set out in Oklahoma Tax Commission rule 710:65-13-130, unless the goods are sold so that title immediately transfers from your company to the federal government, instead of to the contractor, the sale is taxable. Therefore based on the information so far presented, your sale to is subject to sales tax.

This response applies only to the circumstances set out in your request of October 22, 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