

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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February 25, 2002

Re: Our file Number LR-02-023; Rentals

Dear

This is in response to your inquiry as to whether the rental of a hospital bed is subject to sales tax.

Section 1354 (1) of Title 68 specifically levies a sales tax "upon all sales, not otherwise exempted in the Oklahoma Sales Tax Code". "Sales" means the transfer of either title or possession of tangible personal property for a valuable consideration regardless of the manner, method, instrumentality, or device by which the transfer is accomplished in this state, or other transactions as provided by this subsection, including but not limited to the exchange, barter, lease, or **rental of tangible personal property resulting in the transfer of the title to or possession of the property.**"

The Commission promulgated Rule 710:65-1-11 which specifically states that "the gross receipts or gross proceeds derived from the rental or lease of tangible personal property are subject to sales tax." A copy of Rule 710:65-1-11 is enclosed for your information.

Therefore, the hospital bed rental is subject to Oklahoma sales tax.

This response applies only to the circumstances set out in your request of February 19, 2002. 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,

Brenda J. Sullivan
Tax Policy Analyst

Enclosure

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IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION