

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

July 25, 2002

Re: Our File Number LR-02-118; Sales tax on equipment purchased for lease.

Dear

This is in response to your inquiry on whether your company should be charged sales tax on the equipment and services billed in connection with the purchases of copiers that are leased to your company's customers.

No sales tax is due to be paid by your company to its vendors, since your company is able to purchase, exempt from sales tax, as a purchase for resale, the equipment that will be transferred to its customers as a part of a lease. A copy of Oklahoma Tax Commission Rule 710:65-1-11 regarding rentals and leases is enclosed.

As set out in the rule, _____ is required to charge sales tax on the stream of taxable rental or leasing payments as they become due. The sales tax collected should be remitted under its sales tax permit (#158424).

This response applies only to the circumstances set out in your request of July 1, 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,
OKLAHOMA TAX COMMISSION



Michael G. Pillow
Tax Policy Analyst

ENCLOSURE (1)