

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

September 11, 2002

Re: Our File Number LR-02-124; Sales tax on the sale of telecommunications services.

Dear

This is in response to your inquiry concerning the subject referenced above. Oklahoma Tax Commission rule 710:65-19-329 deals with telecommunications and repair services, and states that charges for labor and repair services performed on telecommunications equipment are subject to sales tax. A copy of this rule is enclosed. Everyone who is doing work where they are charging for labor and repair services on telecommunications equipment is required to charge sales tax. Charges for installation and repair of computer networking lines; cable tv and coax lines; alarm wiring and satellite wiring are not subject to sales tax.

Regarding your questions concerning your tax number, holding an Oklahoma Sales Tax Permit allows you to buy, exempt from sales tax, those items you are going to resale. If you make a taxable sale of either goods or services, you are required to charge sales tax, even if you do not hold a sales tax permit and even if you paid sales tax on the goods sold when they were purchased.

Installation of wiring in new construction is not subject to sales tax since the wiring is not yet connected with equipment used for the transmission of messages. If you use materials, that you bought exempt for resale, in the completion of a new construction contract, you have withdrawn the goods for use in the contract and you must accrue the sales value of the materials and report the value and pay tax on it.

This response applies only to the circumstances set out in your request of July 17, 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)