



OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

August 20, 2002

Re: Our File Number LR-02-129; Tax status of refueling charges

Dear

This is in response to your inquiry wherein you asked if your company should charge sales tax on refueling charges.

Please be advised that gasoline and diesel fuel are subject to the motor fuel tax. However, there is a refund available for the amount of diesel fuel used in the off-road use of construction equipment and trucks. After the refund process, sales tax is due on the "sales value" of diesel fuel that was originally purchased subject to motor fuel tax for only the off-road use of construction equipment. As a result, sales tax must be remitted based on the amount of diesel fuel for which a refund was claimed.

Further, your company's purchases of propane is exempt at the time of purchase for off-road use purposes. I am unsure of the fuel mix that is referenced in your letter.

Therefore, the diesel fuel would be the only motor fuel for which your company may charge a sales tax for its refueling charges.

Our ruling is based on Title 68 Section 1355 (1) and "sales value" is defined in Oklahoma Tax Commission Rule 710:65-1-2, enclosed are copies for your reference. If I can be of further assistance, please feel free to contact me.

This response applies only to the circumstances set out in your request of July 16, 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