

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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

July 30, 2002

Re: Our File Number LR-02-130; Sales tax on sales to a contractor with a contract with a municipality.

Dear

This is in response to your inquiry concerning whether a sale to a contractor is exempt from sales tax, due to the fact that the contractor has a contract with the City of . The information that you faxed to me, consists of an Addendum to a contract that shows the City of is an owner of the wastewater treatment plant which is to be improved by the contractor,

Oklahoma Tax Commission Rule 710:65-7-13(c) sets out the documents that a vendor is required to obtain in order to be relieved of liability from sales tax. For sales to contractors which have contracts with an Oklahoma municipality, a copy of the letter setting out the relationship between the city and the contractor is one of the two items needed. The other is a copy of a letter from the Oklahoma Tax Commission to the City of recognizing them as exempt from sales tax.

A copy of rule 710:65-7-13 is enclosed.

This response applies only to the circumstances set out in your request of July 8, 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)