

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
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August 29, 2002

Re: Our File Number LR-02-151; Sales tax exemption for an aircraft manufacturer's authorized service facility.

Dear

This is in response to your inquiry concerning the subject referenced above. Your questions and our responses to them are set out below:

1. We are a "manufacturer's authorized service facility" for specific aircraft. We also maintain other makes and models for which we are not "factory authorized", but we are an approved FAA Repair Station, certified to repair these other models. Does the tax exemption include all makes and models we service as an "aircraft repair facility"? We do not qualify under the \$3,000,000 rule or the July 1, 1999 date Requirement.

**Response:** Since you are a "factory authorized repair facility", all sales of repair parts made in connection with aircraft repairs or modifications on aircraft brought into Oklahoma exclusively for the repair or modification, that meet the weight requirements set out in 68 O.S. Section 1357(26), are exempt.

2. Does the exemption affect only our customers who are based out of state?

**Response:** It affects work done on the qualified planes that are brought into the state for the exclusive purpose of the work being done.

3. Is this determination made on where the airplane actually lives, or where the aircraft registration is titled and addressed for FAA records?

**Response:** If the plane is not registered in Oklahoma, but is brought into Oklahoma exclusively for the purpose of the work being done, so long as it meets the other qualifications, the sale is exempt.

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

4. Assuming we are exempt from collecting and paying Sales Tax effective 7/01/02, how do we recover those taxes already paid to the OTC for July, 2002? Why were we not notified of this new Sales Tax exemption effective 7/01/02?

**Response:** After you have refunded the sales tax collected on the exempted sales to your customers, you can request a refund of the sales tax remitted on the sales that are exempt. A copy of the form that may be used to request the refund is enclosed. The person to contact regarding the request for refund is Greg Stipe. He can be reached at (405) 521-3270.

Although the Tax Commission is not required to give actual notice to taxpayers of changes in any state law, such information is made available by the Taxpayer Assistance Division (405-521-3271), the Communications Division (405-521-3637), and at our web site: [www.oktax.state.ok.us](http://www.oktax.state.ok.us) See 68 O.S. Section 257. A copy is enclosed. In addition to these sources, from time to time throughout the year, the Commission presents and/or participates in various seminars, workshops and industry meetings to bring accountants, lawyers and interested individuals up-to-date on changes in the law that may affect their practices or businesses. The Commission also publishes a number of newsletters and pamphlets on various subjects from time to time intended to keep taxpayers informed of changes in the law.

This response applies only to the circumstances set out in your request of August 20, 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