

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
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December 31, 2002

Re: Our File Number LR-02-175A;  
Sales tax on the provision of billboard advertising services and on the materials  
used in providing those services.

Dear

This is in response to your inquiry dated November 11, which was in response to my  
letter dated November 5, 2002.

Based on your letters and on my telephone conversation with \_\_\_\_\_ of your  
company, \_\_\_\_\_ is engaged in the business of providing billboard advertising  
services. As such, it is the taxable consumer/user of the property that it uses to provide those  
services. It should not hold an Oklahoma sales tax permit. Instead, it should pay sales or use tax  
on all of its purchases.

The service of providing billboard advertising services in Oklahoma is not subject to  
sales tax.

If \_\_\_\_\_ sells the structure and/or the advertising material to  
\_\_\_\_\_ in Mississippi, and the items sold are delivered by common carrier to Oklahoma, use  
tax is due. If \_\_\_\_\_ has any sales in which it installs the signs in Oklahoma it is required  
to collect the use tax from \_\_\_\_\_ on all sales subject to use tax and remit it to  
Oklahoma.

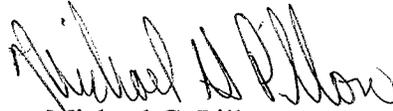
If \_\_\_\_\_ delivers the items sold into Oklahoma on its own vehicles or  
has its employees install them, sales tax is due and \_\_\_\_\_ company is required to charge  
sales tax on the gross receipts of the sale.

Please disregard my letter of November 5<sup>th</sup>, since it was based on a misunderstanding of  
the actual terms of the transactions that \_\_\_\_\_ enters into.

This response applies only to the circumstances set out in your request of November 11, 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*

A handwritten signature in black ink that reads "Michael G. Pillow". The signature is written in a cursive style with a large initial "M".

Michael G. Pillow  
*Tax Policy Analyst*

cc: