

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

December 13, 2002

Re: Our File Number LR-02-221;

Dear

This is in response to your inquiry concerning the ability of ("Midwest") to make purchases, exempt from sales tax of items to be incorporated into a facility for the manufacture of medical isotopes. I had earlier stated at a meeting with you, and myself that "Midwest" could make purchases of the materials from the entity that is building the facility, since the items would be incorporated into the tangible personal property purchased for use in the manufacturing process.

A couple of days after the meeting, I called you and advised you that I was in error regarding the purchase of the concrete to be used in the reinforced walls and flooring.

You have in your letter of November 27, 2002, asked for confirmation of the fact that the following items may be purchased exempt from sales tax since you believe they are integral to the manufacturing process:

1. Plumbing
2. HVAC
3. Electric
4. Epoxy
5. Vinyl Flooring
6. Armstrong Mylar Ceiling
7. Reinforcement Steel Walls and Flooring together with heavy duty concrete for shielding

At our meeting, I was in error regarding any of the items that I stated could be purchased exempt from sales tax. All the items listed would be materials that would be classified as relating to "site construction" and thereby not be eligible for exemption when purchased by a manufacturer or when purchased by a contractor for inclusion in an improvement to real property

owned by a manufacturer. This position is based on Oklahoma Tax Commission Rule 710:65-13-150.1 and 68 O.S. Sections 1352(10) and 1359(1).

This response applies only to the circumstances set out in your request of November 27, 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, appearing to read "Michael G. Pillow". The signature is written in a cursive style with a large, stylized initial "M".

Michael G. Pillow
Tax Policy Analyst