

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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September 8, 2003

Application of use tax credit for municipal  
and county taxes paid in another state

I apologize for any inconvenience my delay in responding may have caused you. Please be advised that Oklahoma Tax Commission Rule OAC 710:65-21-20, " Use tax exemption", is being amended to reflect the provision in Section 1411 of Title 68, that allows the use tax credit for municipal and county taxes paid in another state. A credit against any municipal or county use tax paid may be taken if a municipal or county sales or use tax, respectively, has been paid in an out-of-state municipality or county. The amount to deduct for tax previously paid on tangible personal property is up to the municipal or county use tax rates.

Currently, as you have indicated, the Oklahoma Consumer Use Tax Report does not provide a mechanism to deduct the amount of tax previously paid in out-of-state jurisdictions on goods or services. We are in the process of amending the instructions to allow a credit for taxes paid to out-of-state municipalities and/or counties against any municipal or county tax due in Oklahoma. For further information regarding the new procedure contact Jerry Webb, Taxpayer Assistance Division, (405) 522-0020.

Please do not hesitate to contact this office should you have further questions or if I may be of further assistance, please write or call or me at (405) 521-3133.

Sincerely,

*Brenda J. Sullivan*  
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