

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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April 25, 2003

Re: Our File Number LR-03-062; Tax status of forklift rental transactions.

This is in response to your request on behalf of _____ for a letter ruling, wherein you asked which party is responsible for collecting and remitting sales tax on the two rental transactions described in your correspondence. Please note Commission Rule 710:65-1-11 subsection (b) which states "Rental" or "lease" means the agreement by the owner to give exclusive use of property to another for a consideration and for any period of time under one agreement. The rental transaction between _____ and _____ appears to be a separate transaction that was consummated at the time of the rental agreement and was not contingent on the rental transaction between _____ and _____. Therefore, sales tax is due on each rental transaction by reason of separate rental agreements as outlined in the above rule.

This response applies only to the circumstances set out in your request of March 14, 2003. 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,


Brenda J. Sullivan
Tax Policy Analyst