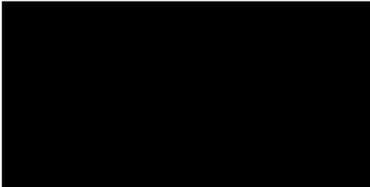


OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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June 11, 2003



Via Email to 

Re: Our File Number LR-03-104; Sales Tax on the Sale of Transportation Services

Dear 

This is in response to your inquiry concerning the sales taxability of the sale of transportation services. I have set out your two questions below and each is followed by our response:

1. "Is charter bus service in the State of Oklahoma, or originating in the State of Oklahoma subject to Oklahoma State and local sales tax?"

Response: Sales of charter bus services are subject to both state and local sales taxes in Oklahoma. Please refer to Oklahoma Tax Commission Rule 710:65-19-328.

2. "With regard to Title 710, Chapter 65, Section 19-328(b), can a charter bus service that might otherwise be taxable if question one, above is answered yes, avoid sales tax by claiming the service is provided by a tourism service broker?"

Response: Title 68, Section 1354(3)(a) provides the following relevant exemption:

"(a) Transportation services provided by a tourism service broker which are **incidental to the rendition of tourism broker services** by such broker to a customer regardless of whether or not such transportation services are actually owned and operated by the tourism service broker. For purposes of this subsection, "tourism service broker" means any person, firm, association or corporation or any employee of such person, firm, association or corporation which for a fee commission or other valuable consideration,

arranges or offers to arrange trips, tours, or other vacation or recreational travel plans for a customer, ..." (emphasis added)

Your letter has brought to our attention that rule 710:65-19-328 may need further clarification regarding which services are incidental to the rendition of tourism broker services. A copy of this letter is being forwarded to the Oklahoma Tax Commission Rule Making Liaison so it may be reviewed this upcoming rule making session.

This response applies only to the circumstances set out in your request of April 30, 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,
OKLAHOMA TAX COMMISSION



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