

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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

July 11, 2003

Re: Our File Number LR-03-126; The sale tax exemption on sales for agricultural purposes

Dear

This is in response to your inquiry to Larry Shropshire concerning the ability of one of your constituents, \_\_\_\_\_ to make a purchase of an air compressor, exempt from sales tax, based on the fact that the air compressor was going to be used for agricultural purposes.

\_\_\_\_\_ was wrong in not accepting the Agricultural Exemption Permit of the customer and making the sale exempt from sales tax. Oklahoma Tax Commission Rules 710:65-7-6 and 710:65-7-11 set out the responsibility of vendors in making exempt sales for agricultural purposes. Briefly, they are required to obtain a copy of the Agricultural exemption permit. If an Oklahoma Tax Commission auditor stated that no item sold by \_\_\_\_\_ in the Hardware and Tools Department could be sold exempt from sales tax as agricultural sales, the auditor was in error. Rule 710:65-13-15 covers the types of goods that may be purchased under the agricultural exemption. Copies of these rules are enclosed.

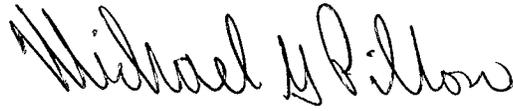
\_\_\_\_\_ letter is being taken as a request for refund of tax paid in error and a refund is being processed.

A copy of this letter, with your constituent's name omitted is being sent to \_\_\_\_\_

This response applies only to the circumstances set out in your request of July 2, 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

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: Larry Shropshire, Administrator  
Oklahoma Tax Commission

Sears Roebuck and Co.  
3333 Beverly Road B2-100A  
Hoffman Estates IL 60179

Greg Stipe  
Credit and Refund Section  
Account Maintenance Division