

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
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August 1, 2003

Re: Our File Number LR-03-134; Sales tax on sales to a quarry

Dear

This is in response to your inquiry concerning whether sales of explosives used in quarrying are exempt from sales tax in Oklahoma.

Sales of explosives used in quarrying in Oklahoma are not exempt from sales tax.. Although an Oklahoma Supreme Court Case (2003 OK4, 64 P3d 1093) did hold that explosives could be purchased exempt from sales tax by manufacturers of crushed rock under the exemption for manufacturing found in the Oklahoma Sales Tax Code as it was written prior to November 1, 1998, the definition of manufacturing was changed effective November 1, 1998 so that "...extractive industrial activities such as mining, quarrying logging and drilling for oil, gas and water..." [ 68 O.S. Section 1352] are not included within the meaning of the term manufacturing.

Mr. Jerry Webb, Assistant Director of the Taxpayer Assistance Division, has a copy of your email and will respond separately concerning your request that quarries and sellers of explosives be notified of the fact that sales tax is due on the sale of explosives to quarries.

Please note that sales of explosives to coal mines are specifically exempted by the Oklahoma Sales Tax Code at 68 O.S. Section 1359.

This response applies only to the circumstances set out in your request of June 26, 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



Michael G. Pillow  
Tax Policy Analyst

cc: Jerry Webb

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