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March 17, 2004

Re: Pay Per Use Internet Access; File No. LR-03-024

Receipt of your letter of December 24, 2003 is acknowledged. I apologize for my delay in responding but my case load did not allow me to respond sooner.

Both your letter and attachments indicate that prepaid calling cards may be purchased through the kiosk. Please find enclosed Oklahoma Tax Commission Rule OAC 710:65-19-331 which provides that machines used to vend prepaid telephone cards require a coin operated vending device decal. Coin operated vending decal devices are in lieu of sales tax. Therefore, no sales tax would be collected or due on products vended through the kiosk.

At this time, I am closing my file. Should you have any questions, however, please do not hesitate to contact me.

Very truly yours,

Marjorie Welch

Marjorie L. Welch
First Deputy General Counsel

Enclosure

✓ cc: Tony Mastin, Director
Tax Policy and Research Division

MLW:eh