OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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November 18, 2003

Re: Our File Number LR-03-247; Sales tax on the sale of ready mixed concrete

This is in response to your inquiry concerning whether your customer, (hereinafter may be exempted from sales tax on its purchases of ready mixed concrete. It has offered a "Uniform Sales & Use Tax Certificate – Multijurisdiction", that shows that it is a wholesaler and a manufacturer. Its certificate states that it holds Oklahoma permits number 172055 and number 230353. It has stated it is in the business of Natural gas gathering and NGL production.

Oklahoma Tax Commission rules, (710:65-7-6; 710:65-7-8 and 710:65-7-9), relating to the documentation required to be obtained by a vendor that wishes to be relieved of liability for charging sales tax, for both a sale for resale and an exempt sale to a manufacturer, require that the vendor either obtain a copy of the permit or verify the validity of the numbers. Neither of the Oklahoma Sales Tax permits numbered 172055 or 230353 is issued to

A manufacturer may not make purchases of materials that are used in site construction exempt from sales tax. To be eligible to make a purchase for resale, a vendor, besides holding an Oklahoma Sales Tax permit, must also be engaged in the business of reselling the articles purchased. Contractors are not engaged in the business of reselling the materials used to improve real property. If the ready mixed concrete is being used by to build or repair real property, they may not make purchases of the concrete exempt form sales tax since they would be acting as a contractor. These positions are based on Oklahoma Tax Commission rules 710:65-19-56 and 710:65-13-200.

This response applies only to the circumstances set out in your request of November 7, 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