OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
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November 20, 2003

Tulsa OK 74105-4217

original to be mailed

Re: Our File Number LR-03-254; Sales Tax on Sales of Natural Gas Exclusively for Residential Purposes

Dear Mr. Miers:

This is in response to your inquiry concerning the subject referenced above. I have set out your questions below and each is followed by our response.

Your Question number one:
Is required by applicable state law and county sales tax ordinances or resolutions on and after November 1, 2003, to collect the county sales tax of the counties listed on Exhibit "D" on sales by of natural gas and associated delivery and transmission services exclusively for residential use in such counties?

Our response to your question number one: Yes. ONG is required by applicable state law to collect, on sales made for billing periods beginning on or after November 1, 2003, for sales of natural gas and associated delivery and transmission services, which are sold exclusively for residential purposes, any county sales tax levied at the location to which the sale is sourced.

Your Question number two:
If collected the county sales tax of the counties listed on Exhibit "D" on its sales of natural gas and associated delivery and transmission services to customers exclusively for residential use in such counties, and remitted the tax to the Oklahoma Tax Commission, and it was thereafter finally determined that such taxes should not have been collected by reason of the language in 68 O.S. 1370.D. or the exemption provisions of a county sales tax:

a. Would ONG be able to obtain a refund of such county sales tax from the Tax Commission?

b. Would those residential customers be able to obtain a refund of such county sales tax from the Tax Commission?

Our response to your question number two: Refunds of sales taxes that are collected and remitted and are then found not to be due are processed in accordance with 68 O.S. Sections 225, 226, 227 and 227.1 and Oklahoma Tax Commission Rule 710:65-11-1.

This response applies only to the circumstances set out in your request of November 5, 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