OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
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Re: Our File Number LR-03-272; Sales Tax on construction and maintenance for cellular phone towers

This is in response to your inquiry concerning whether sales tax is due on charges by companies that are constructing and maintaining cellular phone towers. You have asked if your company is required to charge sales tax to the cellular phone company under the following fact situations. Our response follows each situation:

1. "Civil-Building road, site preparation, concrete work and fencing.
   Labor Cost is $30,000
   Material Cost is $10,000"

Response to situation number 1: In this situation, your company would be acting as a contractor that is improving real property and would be the consumer user of the materials used in the building of the road, the concrete work and in the fencing of the site. Your company would pay sales tax on its purchases of the materials used. No sales tax would be due on the labor costs. Your company would not be required to charge the cellular company sales tax on the job or its constituent parts if the parts are broken out and stated separately from the amount charged for the provision of any taxable services.

2. "Construction- Stacking the steel structure (Tower)"
   Labor Cost is $20,000
   No Material furnished"

Response to situation number 2: Your company would not be required to charge the cellular company sales tax on the construction labor involved in "Stacking the steel structure" if that labor is broken out and stated separately from the amount charged for the provision of any taxable services