OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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May 21, 2005

Re: Our File Number LR-04-065; Sales tax on purchases for school contracts

Dear

This is in response to your inquiry concerning whether may make purchases of tangible personal property, exempt from sales tax, for use in the performance of contracts to provide school bus services for public and private schools.

As shown in the attached copy of Oklahoma Tax Commission Rule 710:65-13-210, purchases made by a contractor, pursuant to a public contract, with a public school, which are necessary for carrying out the contract, may be made exempt from sales tax. Please note that in order to be exempted, the purchaser must supply certain documentation to the vendor and certify on each invoice or sales receipt that the articles are necessary for carrying out the contract. Please refer to Oklahoma Tax Commission Rule 710:65-7-13, which is also enclosed.

However, there is no sales tax exemption in Oklahoma, for a contractor performing a contract to provide school bus services with either a private school or with a private technical center to make purchases, exempt from sales tax, of items necessary to provide the school bus services required by the contract.

This response applies only to the circumstances set out in your request of April 28, 2004. 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