OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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September 21, 2004

Re: Our File Number LR-04-096; Sales taxes on lease payments.

Dear

This is in response to your inquiry concerning lease payments. You are correct in stating that sales tax is due on the lease payments of leases of tangible personal property where the property is located in Oklahoma both when first possession of the property is received by the lessor in Oklahoma and later at the place of primary use in Oklahoma. Two recent Oklahoma Tax Commission Rules relating to the sourcing of sales in Oklahoma are enclosed.

I have forwarded your letter and documentation to our Audit Division for their review.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX COMMISSION

Michael G. Pillow
Tax Policy Analyst