OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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October 15, 2004

Re: Our File Number LR-04-199; Sales tax on sales of equipment related services

Dear]

This is in response to your inquiry concerning the sales taxability of certain equipment related services. I have copied your fact pattern and your taxability matrix into this letter and have noted the taxability of the services in the matrix.

Your Fact Pattern:
Company X is headquartered in the state of Illinois. Company X provides the services listed below for customers who purchase equipment from a related separate entity, Company Y. All services are separately stated on the customer's invoice. All services are optional, however, the customer may risk ineligibility of their general warranty with Company Y if they elect to perform start-up or training services internally (or through another provider) and implement the start-up process incorrectly. Company X is a technical service company and does not sell any tangible products. All services sold by Company X are separately quoted and invoiced from any equipment sold to the same customer by Company Y. Services are provided at the customer(s) site.

Company X's customers are comprised of manufacturers and steel service centers. For those services provided which relate to manufacturing equipment, does your state allow a manufacturing exemption, provided Company X obtains and maintains proper customer exemption documentation.

Your Taxability Matrix

	Subject to Sales Tax (assuming no Mfg exemption)		Mfg Exemption (if qualifying eqmt)
	Yes	No	Available
Equipment Installation		X	
Equipment Start-up Services		X	
Training		X	
Maintenance Agreement		X	
Service Repair Request		X	

This response applies only to the circumstances set out in your request of September 9, 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