

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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November 1, 2004

Re: Our File Number LR-04-213; Sales tax on charges for local transportation

Dear Taxpayer:

Based on the records of the Oklahoma Tax Commission, you may be providing local transportation of passengers.

You may have been told in the past that the charges you make for local transportation of passengers is subject to sales tax.

While it is true that local transportation of passengers is taxable if the pick-up point and the drop-off point are in different cities, it is also true that if the pick-up point and the drop-off point are within the same city, the sale of the transportation is exempt from sales tax.

We hope the attached proposed rule amendment will clarify this policy to our own staff and to similarly situated taxpayers. We will be advising our staff to apply this policy immediately, and will take the steps necessary to amend our rules accordingly.

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

Sincerely,
OKLAHOMA TAX COMMISSION



Michael G. Pillow
Tax Policy Analyst