

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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February 1, 2005

Re: Farm Truck Registration/LR-04-239

Dear

Title 47 Section 1134 of the Oklahoma Statutes provides for the registration of a pickup, truck, or truck tractor used primarily for farm use, and not for commercial or industrial purposes, upon payment of an annual \$30.00 license fee. To qualify for a farm truck registration, the applicant must provide either a copy of Schedule F (or comparable form) filed with the previous year's Federal Income Tax Return, or an agricultural exemption permit (SMX number) assigned by the Oklahoma Tax Commission. The truck must be a motor vehicle designed or converted primarily for carrying or hauling farm commodities, property, livestock, or equipment, rather than people.

Title 68 Section 1358 of the Oklahoma Statutes provides agriculture-related exemptions from the levy of Oklahoma sales tax. Title 68 Section 1358.1 of the Oklahoma Statutes provides further that in order to qualify for the exemptions provided in such Section the purchaser must provide proof to the vendor. Proof of eligibility is based upon issuance of an agricultural permit.

Oklahoma Tax Commission Rule 710:65-13-15 states that "agricultural production" and "production of agricultural products" is limited to what would ordinarily be considered a farming or ranching operation undertaken for profit. The terms refer to the raising of food crops or livestock for sale. In addition, "farming" or "ranching," means the production, harvesting or processing of agricultural products. Items purchased exempt from sales tax for agricultural purposes must be directly used on the purchaser's farm or ranch in the production of food or agricultural products.

The files and records of the Tax Commission indicate that you are the record owner of a 1998 Mack truck with a current farm registration (license plate no. _____), and that you submitted a valid Tax Commission agricultural exemption permit (SMX no. _____) at the time of registration.

Therefore, you may purchase crushed rock for use on your farm or ranch exempt from sales tax, and transport the crushed rock in your farm truck if the use of the crushed rock on the farm or ranch will have a direct effect on the food crop or livestock being produced.

Sincerely,

Oklahoma Tax Commission

Rick Miller, Tax Policy Analyst
Tax Policy Division

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IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION