

December 17, 2004

Re: Our File Number LR-04-246; Sales Tax on Motor Vehicle Leases

This is in response to your inquiry concerning the sales tax implications of certain clauses for certain leases of certain motor vehicles.

In Oklahoma, leases of 12 months or more of motor vehicles on which the separate Oklahoma Motor Vehicle Excise Tax has been paid are exempt from sales tax pursuant to 68 O.S. Section 1355. Therefore no refunds would be available since no sales tax was paid on the stream of lease payments.

If your company enters into leases of less than 12 months, please respond to me and advise the type of vehicles and the terms of those leases so I can respond to your request for those leases which are less than 12 months in duration.

This response applies only to the circumstances set out in your request of December 8, 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