Re: Our File Number LR-04-248; Reciprocity with the State of Georgia

This is in response to your inquiry concerning whether Oklahoma taxes would be due on the purchase or use of tangible personal property in Oklahoma. I have set out your question below and provided a general answer. I have also set out the major purchase items as listed in your letter. Our specific responses follow each major purchase item.

Your Question: Would you allow Georgia taxes (state, local and municipal) to reciprocate with your tax (es) on major purchases imposed on sales and/or use tax in your state if the transaction took place there?

Our General Response: For Oklahoma use tax, a credit may be taken against sales taxes paid in another jurisdiction when the item is brought into Oklahoma. State tax may be credited against state tax, county tax against county tax and municipal tax against municipal tax due. This response is based on 68 O.S. Sections 1404 and 1411.

List of Major Purchase items:

A. Motor vehicles delivered to consumers in Georgia, titled in Georgia, and subsequently titled and used in your state?

Response to Item A: No credit is allowed unless the consumer was living in Georgia at the time and unless the vehicle was titled and registered in Georgia for a period of 60 days or more. Please note that in Oklahoma, sales of motor vehicles are subject to a separate motor vehicle excise tax paid by the owner upon registration, and are not subject to the general sales tax. This response is based on 68 O.S. Section 2105(2).

B. Motor vehicles delivered to consumers in Georgia and titled for the first time in your state?
Response to Item B: No credit would be allowed.

C. Tangible personal property delivered to consumers for storage or probable consumption in this state but subsequently used for the first time in your state, such as building materials or specialized equipment?

Response to Item C: Although it is probable, that for purchases of building materials and specialized equipment, the purchasers know, when they are purchased where they are to be used, if tax has been paid legally in Georgia, for purchases of tangible personal property on which a sales or use tax is due in Oklahoma, a credit may be allowed as noted in our general response above.

D. Other tangible personal property subject to Georgia sales tax.

Response to Item D: Please refer to our general response above for this general question.

E. Does your state allow a non-resident purchaser to purchase a motor vehicle without payment of sales tax?

Response to Item E: Yes

F. If your state allows the Georgia tax as a credit for your state tax, do you allow the local taxes to apply as well?

Response to Item F: Please refer to our general response above.

I have enclosed a copy of our sales and use tax rate charts which sets out the rates that are applicable to sales that are sourced to the specific jurisdictions in Oklahoma. The excise tax on motor vehicles is 3 ¼ percent. There is no local motor vehicle excise tax.

This response applies only to the circumstances set out in your request of December 6, 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

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