June 7, 2005

E-mail address

RE: Our File Number LR-05-090

Dear :

This is in response to your inquiry regarding the tax status of a service you described as "drilling service; specifically three holes drilled into a half-inch document for placement of the document into a loose leaf binder. No material was involved and a separate receipt was issued No. Please be advised that the service noted above is not one of the enumerated services on which sales tax is levied in Oklahoma.

Generally, labor charges for installation, repair or other special services are not taxable if the vendor and vendee agree to them separately and they are disclosed as a separate line item on the bill or invoice from the sale of tangible personal property. See Commission Rules OAC 710:65-19-158 and 710:65-19-159 at http://www.oktax.state.ok.us/oktax/ruleindex.html

This response applies only to the circumstances set out in your request of June 7, 2005. 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,

Brenda J. Sullivan
Tax Policy Analyst