OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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July 29, 2005

Re: Our File Number LR-05-092; Nexus for sales and use tax purposes

Dear :

This is in response to your inquiry concerning whether sales or use tax nexus results from your client having an agent install locks and materials in the property of your client's customers, where the property on which the locks and materials are installed, is located in Oklahoma at the time of the installation.

Using a third party to perform work, which if the work was done by a vendor itself would give the vendor sufficient physical connection with the State of Oklahoma to require the vendor to register with the Oklahoma Tax Commission and to charge, collect, and remit sales or use tax, does not allow a vendor to avoid sales or use tax nexus with the State of Oklahoma and the attendant responsibilities resulting from that nexus.

Since your client arranges for the installation of the locks and materials, the sale of the locks and materials are subject to sales tax. Your client must register and collect Oklahoma and any applicable local sales taxes in effect at the site the locks and material are delivered to the customers of your client.

This response is based on Oklahoma Tax Commission Rules 710:65-21-6, 710:65-15-1, 710:65-18-2, 710:65-18-3, 710:65-1-8 and 710:65-21-3.

Unofficial copies of the rules noted in this letter ruling can be viewed at the following website:

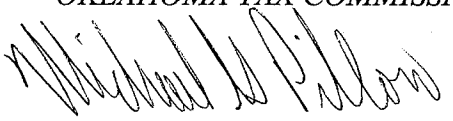
www.oar.state.ok.us/oar/codedoc02.nsf

This response applies only to the circumstances set out in your request of May 26, 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,
OKLAHOMA TAX COMMISSION



Michael G. Pillow
Tax Policy Analyst