

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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August 17, 2005

Re: Our File Number LR-05-101; Sales tax on charges for Federal Excise Tax on telecommunications

Dear

This is in response to your inquiry concerning whether Oklahoma sales tax is due on charges of Federal Excise Tax to consumers by companies selling telecommunications services.

Since the Federal Excise Tax is levied upon the consumer of the telecommunications services, it is not part of the taxable gross receipts of the sale and Oklahoma Sales Tax is not due on the amount of the Federal Excise Tax charged by the telecommunications company. Please refer to Oklahoma Tax Commission Rule 710:65-1-2, specifically subparagraph (c) of the definition of "Gross Receipts" and also to Commission Rule 710:65-1-9, especially subsection (c)(3).

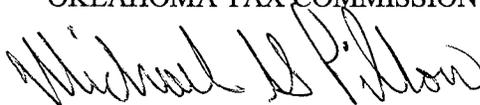
Unofficial copies of the rules noted in this letter ruling can be viewed at the following website:

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

This response applies only to the circumstances set out in your request of June 15, 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