OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

April 27, 2006

[redacted]

RE: Our File Number LR-06-023; Taxability of lost/stolen or destroyed rental equipment

Dear [redacted]:

This in response to your request wherein you asked if [redacted] should include tax on the invoices to their customers, for the cost of equipment that was lost/stolen or destroyed.

Please be advised that sales tax is due on the cost or sales value of lost/stolen or destroyed equipment if title transfers as a result of the rental agreement. Please see Commission Rule 710:65-1-2 for "sales value".

This response applies only to the circumstances set out in your request of January 31, 2006. 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

Brenda J. Sullivan
Tax Policy Analyst

Enclosure