OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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March 20, 2006

Re: Our File Number LR-06-047; Servicing relating to telecommunication equipment

This is in response to your request for a summary explaining the tax code as it applies to the taxability of the labor and travel charges for repairing the telecommunication device that you described as a two-way, 3M Model D-15 Wired Intercom.

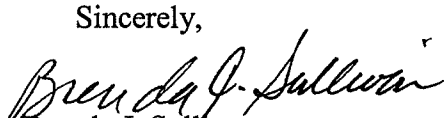
Please be advised that services relating to telecommunication and telecommunications equipment are subject to sales tax. Commission Rule 710:65-19-329, a copy of which is enclosed, states that "Charges for labor or repair services performed on equipment or wiring which is connected with the transmission of messages, voices or images or connected with equipment used for the transmission of messages, voices or images are subject to sales tax, regardless of whether the charge is stated separately from charges for either telecommunications service or for tangible personal property." The transaction outlined in your faxed correspondence as labor and travel (that you described as being the technician time, travel and vehicle use cost) would clearly fall within subsection (b) (3) of the above rule as repair or servicing of telecommunication equipment.

Therefore, the servicing (labor and travel charges) of the two-way device described as a 3M Model D-15 Wired Intercom is subject to sales tax.

This response applies only to the circumstances set out in your request of March 10, 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
Tax Policy Analyst

Enclosure