

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

December 12, 2006

Re: Our File Number LR-06-070; Whether your firm is required to hold a sales tax permit

Dear :

This is in response to your inquiry concerning whether your firm is required to hold a sales tax permit and charge, collect and remit sales tax on its sales of marble products sold to consumers through its showroom in Lawton Oklahoma.

During our telephone conversation, you stated that your company never sells the marble products as separate items, rather, your company always acts as a contractor and arranges for the installation of the cultured marble products which might include tubs, showers, vanity tops, etc. You further stated that you arranged for related companies to act as subcontractors and bring the marble products from Texas and for them to perform the installation of the products at the customers' locations in Lawton.

Based on this fact scenario, your company is not a vendor selling tangible personal property, instead it acts as a contractor engaged in improving real property, and it is therefore not required to hold a sales tax permit. Instead it is required to pay sales or use tax on any materials it may purchase to complete the jobs but is not required to charge sales tax to its customers.

You should remit the tax you have collected to date, and turn in your sales tax permit attached to a copy of this letter and ask that your permit be cancelled.

The sub-contractors, which are related entities to _____, which are hired to improve your customers' real property by installing the marble products, and which bring the material from Texas to be installed in Lawton, will owe use tax on the material when they bring it from Texas to Lawton. They can download Oklahoma Use Tax Forms to remit the use tax on the marble products from our web site:

<http://www.oktax.state.ok.us/>

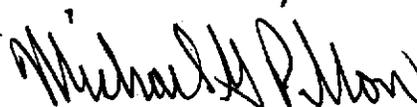
2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION

This response applies only to the circumstances set out in your request of April 6, 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,
OKLAHOMA TAX COMMISSION

A handwritten signature in black ink, appearing to read "Michael G. Pillow". The signature is written in a cursive style with some loops and flourishes.

Michael G. Pillow
Tax Policy Analyst