

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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



October 23, 2006

[REDACTED]

Re: Our File Number LR-06-080; Sales for Resale

Dear [REDACTED]:

This is in response to your inquiry concerning whether sales tax was due on your payment for telecommunications work that was "sub-contracted" in Oklahoma.

As a vendor of taxable telecommunications work that you subcontracted in Oklahoma, that was performed in Oklahoma, you were required to hold an Oklahoma Sales Tax Permit to make the purchase of the work, exempt from sales tax for resale, pursuant to the Oklahoma Sales Tax Code at 68 O.S. Section 1357(3) as interpreted by Oklahoma Tax Commission Rule 710:65-13-200.

Since you did not hold an Oklahoma Sales Tax Permit, your vendor was correct in charging you sales tax. A purchaser who has a physical connection with Oklahoma, as in this case you did by virtue of the work being physically done in Oklahoma by your subcontractor, is required to hold an Oklahoma Sales Tax Permit because if the sale is for resale, when the work is resold, if it is taxable, there will be no mechanism through which the tax can be remitted if the purchaser does not hold a sales tax permit.

The taxability of the installation of telecommunications equipment is covered by Oklahoma Tax Commission Rule 710:65-13-329.

Copies of the Rules noted above are enclosed.

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


Michael G. Pillow
Tax Policy Analyst