

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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August 15, 2006

[REDACTED]

Re: Our File Number LR-06-092; Sales tax on the sale of bolted storage tanks sold and shipped outside of Oklahoma.

Dear [REDACTED]:

This is in response to your inquiry concerning the subject referenced above. In both the scenarios set out in your letter, your company manufactures the parts necessary to build bolted storage tanks and then ships the parts from [REDACTED], Oklahoma to a [REDACTED] location. The difference in the scenarios is that in one scenario the parts are shipped FOB [REDACTED], Oklahoma and in the other, they are shipped FOB the job site. In both situations, [REDACTED] is responsible for erecting the tank at the [REDACTED].

Since the purchaser does not receive possession of the goods in Oklahoma, no sales tax is due in Oklahoma based on Oklahoma Tax Commission Rule 710:65-18-3. Furthermore, the transactions are also exempted by Oklahoma Tax Commission Rule 710:65-13-152.1.

If you sell the tanks to persons who are purchasing them for resale, and who have a valid exemption pursuant to Oklahoma Tax Commission Rule 710:65-13-200, that rule would also apply along with the two rules noted above. Copies of all three of these rules are enclosed.

I cannot speak for the State of [REDACTED], I recommend that you contact them and follow their instructions.

This response applies only to the circumstances set out in your request of June 20, 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