OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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December 13, 2006

Re: Our File Number LR-06-185; Exemption for Motor Vessels and Motor Vehicles

Dear

This is in response to your inquiry concerning the exemption for ships, motor vessels and barges found in Oklahoma Sales Tax Rule 710:65-15-2. That rule was adopted to clarify the exemption in the statutes for the sale of tangible personal property to the owner or operator of a ship, motor vessel, or barge.

There is no exemption in the Oklahoma Sales Tax Code for purchases by owners or operators of **motor vehicles** being used in interstate commerce. Therefore, if the lease payments of a generator that will provide alternative power for a motor vehicle, even if the motor vehicle is used in interstate commerce, are sourced to Oklahoma, pursuant to Oklahoma Tax Commission Rule 710:65-18-4, the sale is not exempt based on its use in interstate commerce. Instead, the payments would in fact be taxable.

This response applies only to the circumstances set out in your request of September 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