OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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May 9, 2007

RE: Our File Number LR-06-195; Taxability of sales and installation of graphics

Dear

This is in response to your inquiry regarding the taxability of your company's sales and installation of graphics, "which are displayed on the trailers of semi and box trucks. Sales are the result of trade shows, referrals, and advertising response, either through phone or e-mail orders." I have scanned your fact scenario and question into this letter, followed by our response.

"We are a new company that sells and installs graphics, which are displayed on the trailers of semi and box trucks. Sales are the result of trade shows, referrals, and advertising response, either through phone or e-mail orders.

Our company is based solely in We do not have offices located in other states, and the salespeople on our payroll work solely out of the office.

We have installers that are independent contractors and travel from state to state to install the graphics. We occasionally use an installer located in the city and/or state where the job is being done and are charged sales tax, if applicable, on their labor.

We ship the graphics via UPS or other common carrier, and occasionally hand delivers them. The actual delivery charges are reflected on a separate line item on our invoices.

Are we responsible for the collection and disbursement of sales tax to your state on the sale of our product? Please provide us with a documented ruling, and if so, a state sales tax application so we can properly collect and disburse the sales tax if applicable."

Our Response: Since the graphics are installed in Oklahoma by your agents, your company has sufficient physical connection with Oklahoma to require it to register and collect and remit sales tax. See 68 O. S. Section 1354 and Oklahoma Tax Commission Rule 710:65-15-1. Also see Commission Rule 710:65-18-3 Sourcing of retail sales.

You may reference Oklahoma Tax Commission Rules listed as well as forms and publications for Packet A-Oklahoma Business Registration Packet and Packet D-Sales Tax Vendor liability Notice, Rules and Forms Packet at our website: www.oktax.state.ok.us

This response applies only to the circumstances set out in your request of October 18, 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

Brenda J. Sullivan
Tax Policy Analyst