OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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January 16, 2007

Re: LR-06-207, (Sales Tax) Taxability of electricity to run certain equipment.

Dear

This letter is in response to your inquiry as to the taxability of electricity purchased for the purpose of running compressors for transporting natural gas through pipelines.

Sales Tax is due on all sales of electricity unless the sales are specifically exempted by statute. The sale of electricity used in the transportation of gas is not recognized as an exempt transaction. Therefore, the sale of electricity used for such purposes is subject to Oklahoma Sales Tax.

If you should have any questions or need additional information you may contact me at 405-521-3133.

This response applies only to the circumstances set out in your request of December 12, 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.

Sincerely,
Oklahoma Tax Commission

Mark Hendrix
Tax Policy Analyst