

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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March 15, 2007

RE: Our File Number LR-07-015; Tax status of sales transaction

Dear

This is in response to your request for a ruling on the sales transaction listed in your correspondence. I have scanned your fact scenario into this letter, followed by our response.

"I AM WRITING THIS REQUEST IN REFERENCE TO SALES TAX THAT I WAS CHARGED ON A PURCHASE THAT WAS FOR RESALE. WE ORIGINALLY PURCHASED A GENERATOR FROM [REDACTED] AT THEIR BRANCH IN AUSTIN, TX. [REDACTED] THEN ORDERED THE GENERATOR FROM [REDACTED] IN [REDACTED] WE REQUESTED THAT WHEN THE GENERATOR WAS BUILT THAT IT BE SHIPPED TO [REDACTED] IN TULSA, OK. [REDACTED] IS THE MANUFACTURER THAT IS CUSTOM BUILDING THE FUEL TANK TO BE INSTALLED ON THE GENERATOR. THEY WOULD BE ASSEMBLING THE TANK ON THE GENERATOR AND INSTALLING THE MUFFLER. WHEN THIS IS COMPLETED, THE GENERATOR WILL THEN BE SHIPPED TO OUR CUSTOMER IN WACO, TX TO COMPLETE THE INSTALLATION.

IN TULSA, OK HAS BILLED US FOR THE GENERATOR AND SAID THAT WE ARE RESPONSIBLE TO PAY THE SALES TAX BECAUSE IT WAS SHIPPED TO TULSA, OK. THE GENERATOR WILL ONLY BE IN OKLAHOMA LONG ENOUGH TO COMPLETE THE ASSEMBLY. AT THAT TIME, IT WILL BE SHIPPED TO THE FINAL DESTINATION IN WACO, TX. I SPOKE WITH [REDACTED] AT ONE OF THE OKLAHOMA TAX OFFICES AND HE TOLD ME TO SUBMIT THIS LETTER SO THAT A NEW RULING COULD BE WRITTEN AND SENT TO ME. HE SAID THAT HE KNEW OF A RULING, BUT WAS UNABLE TO PUT HIS HANDS ON IT. PLEASE FAX ME A COPY OF THE NEW RULING SO I CAN SEND IT TO MY VENDOR."

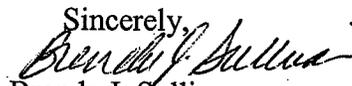
Oklahoma will recognize the sale from _____ to
a Texas vendor/reseller as an exempt sale for resale since
has no physical connection with Oklahoma and the equipment was shipped into
Oklahoma via common carrier from an inventory point outside the State. Based on the
information submitted, it appears that _____ has met the requirements to
establish properly completed documentation in order to claim the sales for resale
exemption. (See Oklahoma Tax Commission Rule 710:65-65-7-8).

An unofficial copy of the Oklahoma Tax Commission rule referenced herein may be
viewed at the following website by entering the rule number as the search term:

www.oar.state.ok.us/oar/codedoc02.nsf

This response applies only to the circumstances set out in your request of January
11, 2007. 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
Tax Policy Analyst