OKLAHOMA TAX COMMISSION

STATE OF OKLAHOMA

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June 13, 2007

RE: Your letter dated February 28, 2007: OTC, Legal Division File No. LR-07-005.

Dear :

In the referenced correspondence, you pose questions regarding the application of Oklahoma sales tax to lease payments made by "a corporation owned by the ". You also inquire as to whether "the leasing company [will] be required to pay sales tax on the rental income from the above lease".

For purposes of complying with the Oklahoma Sales Tax Code, 68 O.S. § 1350 et seq., the following resources should be helpful in determining the appropriate treatment of the transactions you contemplate. The permanent rules of the Oklahoma Tax Commission, interpreting and applying Oklahoma tax statutes, are codified at Title 710 of the Oklahoma Administrative Code (OAC). Also, you may access the rules of the Oklahoma Tax Commission at http://www.tax.ok.gov/rules/rules.html. Further, the United States Supreme Court, in *Oklahoma Tax Commission v. Chickasaw Nation*, 515 U.S. 450, 115 S.Ct. 2214 (1995), specified the factors that determine whether a transaction with an indian tribe is a taxable event. A copy of the *Chickasaw Nation* decision is enclosed for your convenience.

If you require additional assistance, you may request a letter ruling from the Office of General Counsel, Oklahoma Tax Commission, as provided by OTC Rule No. 710:1-3-73. A letter ruling from the Office of General Counsel is discretionary and is defined as an "informal written statement of policy or

treatment of specific fact situations under Oklahoma law." (OTC Rule No. 710:1-3-73(e)). Your request for a Letter Ruling should describe the specific fact situation and the specific taxpayers involved. The request should be submitted with a legal brief. Under these circumstances, the Office of General Counsel could conduct a review to determine if it concurs with your analysis and conclusions.

Yours truly,

OKLAHOMA TAX COMMISSION

Ernest H. Short
Assistant General Counsel

EHS\ljm
cc: Dawn Cash, Tax Policy