

# OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION  
DAWN CASH, DIRECTOR

PHONE (405) 521-3133  
FACSIMILE (405) 522-0063

September 18, 2007

Re: LR-07-093, (Sales Tax) Taxability of a fuel sur-charge.

Dear

This letter is in response to your inquiry as to the taxability of a fuel sur-charge. As stated in your letter your company is considering adding the sur-charge to your service invoice due to higher fuel costs. The sur-charge would be a separate line item on the invoice along with the usual time and material charges.

Oklahoma Sales Tax is levied upon the sale of tangible personal property which includes installation, alteration and special service charges that are included in the selling price of tangible personal property. However, services and service related costs when separately stated for billing purposes on the invoice statement are not subject to Sales Tax as provided for under Tax Commission Rule 710:65-19-158 and 710:65-19-159.

Therefore, the fact that the fuel sur-charge you reference is considered a service related cost that would be separately stated on your service invoice, the sur-charge would not be subject to 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 July 16, 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.

Sincerely,

Mark Hendrix  
Tax Policy Analyst