OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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February 25, 2008

Re: LR-07-096

Dear

I apologize for any inconvenience my delay in responding may have caused you. This is in response to your request for advice on the utilization of your 100% Disabled Veteran Sales Tax Exemption Card.

Please be advised that the sales tax exemption afforded disabled veterans in receipt of compensation at the one hundred percent rate found in Section 1357 O. S. Title 68 does not extend to purchases by contractors. Commission Rule 710:65-13-275 (copy enclosed) provides in subsection (e) Purchases **by contractors.** "Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. Section 1352 are taxable to the contractor. A contractor who performs improvements to real property for a disabled veteran in receipt of compensation at the one hundred percent (100%) rate who qualifies for the exemption from sales tax on their purchases described in this Section may **not** purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to disabled veterans in receipt of compensation at the one hundred percent rate." Subsection (d) Qualifying sales, further provides that sales are exempt if the qualified veteran has an interest in the funds and the purchase is made on his or her behalf.

As the exemption presently exits, it is valid for sales of tangible personal property and services made directly to the eligible person up to $25,000 each year and includes sales for the benefit of the disabled veteran to a spouse of such veteran or to a member of the household in which the veteran resides and who is authorized to make purchases on the veterans' behalf, when such veteran is not present at the sale.

This response applies only to the circumstances set out in your request of July 15, 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,

OKLAHOMA TAX COMMISSION

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst

Enclosure