

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

March 10, 2008

Re: LR-08-010

Dear

I apologize for any inconvenience our delay in responding may have caused you. This is in response to your request for a determination of the proper amount of tax due on equipment rentals from

Please be advised that rentals and leases of tangible personal property, i.e. equipment rental is governed by Tax Commission Rule OAC 710:65-1-11 (c) **Computation of Tax.** "The tax shall be computed on the gross amount without any allowance for service, laundering, cleaning, maintenance, insurance, property taxes, etc., whether paid by the lessor or lessee. However, if the rental or lease charge is based on the retail value of the property at the time of entering the lease agreement and the life expectancy of the property, and the rental charge is separately stated from the service in the bill or invoice delivered to the lessee, tax shall be due on only on the rental amount."

In order to provide a definitive ruling, please submit documentation that supports the explanation outlined in the above rule, including copies of contracts and release forms, etc.,

This response applies only to the circumstances set out in your request of February 29, 2008. 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

A handwritten signature in cursive script, reading "Brenda J. Sullivan".

Brenda J. Sullivan
Tax Policy Analyst

Enclosure