OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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June 26, 2008

Re: LR-08-055; Sales Tax Inquiry

Dear

I am writing in response to your inquiry whether the sale of ready mixed concrete to for use in an apartment construction project may be purchased exempt from sales tax pursuant to It is my understanding that sold ready mixed concrete to which was poured by directly in an apartment floor at a complex construction site in Oklahoma City. who possesses a MSEP, deducted sales tax from the purchase invoice claiming a sales tax exemption citing OAC 710:65-19-60. However, under the facts presented, your customer would be considered a contractor and must pay sales tax on all taxable services and tangible personal property, including materials, supplies, and equipment, purchased to develop and improve real property. See Oklahoma Administrative Code 710:65-19-56, a copy of which is enclosed.

Although normally a vendor may accept in good faith an assertion that a purchase is to be used in a manufacturing operation, in an instance such as this where a vendor knows that the purchase is for use in developing real property, a MSEP cannot be accepted in good faith.

This response applies only to the circumstances discussed in your request of May 5, 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 there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

Marc Morrison

Marc Morrison
Tax Policy Analyst