OKLAHOMA TAX COMMISSION

STATE OF OKLAHOMA

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OFFICE OF THE GENERAL COUNSEL

August 6, 2008

RE: Your letter dated June 25, 2008;
Legal Division File No. LR-08-016.

Dear :

In the referenced correspondence, you requested "jurisdictional advice regarding the proper tax treatment for exempt government guests" at "hotels located on United States Government property...[pursuant to] a Ground Lease between the , a partner of You also requested a private letter ruling as to whether "any revenue [would] be exempt from taxation by statute" for sales to federal employees on official military business.

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. Title 68 O.S. § 1354(A) provides a list of the sales upon which the Oklahoma sales tax is levied. In Oklahoma, a sales tax is levied upon the sale of the "[s]ervice of furnishing rooms by hotel, apartment hotel, public rooming house, motel, public lodging house, or tourist camp. 68 O.S. § 1354(A)(7). An exemption from the Oklahoma sales tax for sales of tangible personal property or services to the United States government is provided at 68 O.S. § 1356(1). However, all sales to contractors in connection with the performance of any contract with the United States government are not exempt from sales tax unless specifically provided. 68 O.S. § 1356(1). The procedural questions you pose regarding recording keeping and payment by government employees are addressed at Rule No. 710:65-13-130 of the permanent rules of the Oklahoma Tax Commission. 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.

If you require additional assistance, you may continue to pursue your request for 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, including copies of all relevant contracts, and should be submitted together 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.

Respectfully,

OKLAHOMA TAX COMMISSION

Ernest H. Short
Assistant General Counsel

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cc: Dawn Cash, Director, Tax Policy