OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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November 07, 2008

RE: LR-08-114
Sales and Excise Tax inquiry

Dear

I am writing this letter in response to your request regarding excise tax on utility vehicles.

Facts:

was issued a manufacturers sales tax exemption permit effective April 30, 1986. Senate Bill 1793, effective July 1, 2008, subjected certain utility vehicles transferred on or after July 1, 2008 to the imposition vehicle excise tax along with the title and registration requirements.

Question:

Are you allowed to purchase a utility vehicle tax exempt since you are a registered manufacturer and are you required to obtain a vehicle title on a utility vehicle? Also, what are the procedures for obtaining a title tax exempt?

Our Response:

Oklahoma Sales and Use Tax Codes specifically exempt manufacturers from the payment of sales and use tax on certain purchases. No like provision exists in the Vehicle Excise Tax Code. Therefore, if purchases a utility vehicle on or after July 1, 2008, it must remit excise tax, obtain a certificate of title as well as register the vehicle and pay the corresponding title and registration fees. will not be required to have a title or register any utility vehicles purchased prior to July 1, 2008; however, when a transfer of ownership occurs, the new owner register any utility vehicles purchased prior to July 1, 2008; however, when a transfer of ownership occurs, the new

owner would be required to obtain a title, register the utility vehicle and pay the applicable excise tax and fees.

Currently the only exemptions to motor vehicle excise tax can be found in Oklahoma Tax Commission Rule 710:60-7-3, which I have provided a copy for your convenience.

This response applies only to the circumstances discussed in your written request of August 13, 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
Tax Policy & Research Division