OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

March 03, 2009

RE: LR-08-160
Sales Tax Inquiry (follow-up)

Dear :

I am writing this letter in response to your request regarding your denial of a sales tax exemption for and and to acknowledge that I have received your contract information that I requested.

Facts:

The Oklahoma Tax Commission has denied a sales tax exemption under 68 O.S. § 1356 (22) for both and since these corporations are not contracted with the Oklahoma Department of Mental Health and Substance Abuse Services, even though both are owned by the parent corporation , who was granted the sales tax exemption.

Question:

Since both and are both owned by the parent corporation , shouldn't the exemption be granted to the subsidiary companies since they are both owned by the same parent corporation?

Our Response:

No, based upon the applications for the sales tax exemptions and the contracts that you provided, each subsidiary corporation is its own entity regardless of ownership, and the federal identification numbers listed on the contracts confirms those numbers are for the parent corporation, , and not for or .