

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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March 13, 2009

RE: LR-09-030
Sales Tax inquiry

Dear

I am writing this response to your request regarding the exemption of sales tax to a manufacturer.

Facts:

In your letter, you have stated that _____ has been contracted for construction work to connect the _____ to the electrical grid and that your primary supplier of electrical cable _____ has refused to supply electrical cable unless sales tax was remitted. You have also stated that you have been informed that all of your construction should be tax exempt since it is all for the _____ and you have provided a copy of their manufacturing exemption in your letter.

Question:

You are requesting a formal determination from the Oklahoma Tax Commission that you may use to correctly remit or exempt sales tax for the project.

Our Response:

The copy of the manufacturers exemption certificate that you provided is for _____ and may not be passed on to another entity. Contractors are considered to be the consumers of tangible personal property and are required to remit sales tax on their purchases of tangible personal property and all taxable services including materials and supplies to develop real property. Therefore, _____ is correct by charging sales tax to _____

In order for future transactions to be exempt from sales tax,
must make the purchases of tangible personal property that are used in
their manufacturing process, direct from their vendors.

This response applies only to the circumstances discussed in your written request of
January 23, 2009. 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