

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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January 6, 2011

Re: Our File Number LR-10-034; Exemption status of Indian Nations

This is in response to your request for clarification of the sales tax treatment of hotel rooms furnished to a federally recognized Indian tribe. Set forth below are the facts presented along with our response thereto.

Facts:

One of our clients the _____ Tribe of Oklahoma are using our Hotel for their business and the _____, we charge them for their room and taxes, upon receiving the bill for payment they informed me that they are exempt from paying the taxes on their room.

In order for a tribal purchase to qualify for exemption, the sale must satisfy the following requirements:

1. The sale must be made directly to the federally recognized Indian tribe.
2. Payment must be received directly from the tribe.
3. The tribe must be the consumer or user of the purchased good which is consumed or used within Indian country.

Chickasaw Nation v. Oklahoma Tax Commission, 31 F.3d 964, 973 (10th Cir. 1994).

Since the furnished rooms were not used within Indian country under the Tribe's governance, sales tax was properly imposed on the transaction at issue.

This response applies only to the circumstances set out in your request of February 22, 2010. Pursuant to Oklahoma Administrative Code 710:1-3-73(e), this Letter Ruling may be generally

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relied upon **only** by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law. If I can be of further assistance, please feel free to contact me.

Sincerely,

OKLAHOMA TAX COMMISSION

A handwritten signature in cursive script that reads "Brenda J. Sullivan".

Brenda J. Sullivan
Tax Policy Analyst