OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

October 1, 2010

Re: LR-10-106 (Sales Tax Inquiry follow up question)

Dear

I am writing this letter in response to your request for clarification regarding "the requirements for an Oklahoma Manufacturer sales tax/exemption permit to be valid over the life of a lease." Set forth verbatim are the facts presented along with the question posed and the response thereto.

Facts:

> We have a 60 month lease for a Kia Model KH63G Horizontal Machining Center with a start date of May 20, 2008. We received an OK manufacturing exemption permit from our lessee at the start of this lease. The permit number is The permit effective date is 09-26-1989 and the permit expires 9/26/2010.

Question:

Is the permit valid for the full 60 months of the lease through May 20, 2013 since we received a valid permit at the start of the lease, or do we need to get a copy of the new Oklahoma manufacturing exemption permit that will expire after the May, 2013 lease ending date?

Response:

In order to exempt a customer from sales tax relating to lease periods occurring after expiration of its Manufacturer's Sales Tax Exemption Permit, you should obtain a copy of the customer's renewed permit. Additionally, you may confirm that your customer's permit has been renewed by using the "Permit Lookup System" on the Oklahoma Tax Commission's website (www.oktax.state.ok.us) or by contacting the Taxpayer Assistance Division at (405) 522-3160.

This response applies only to the circumstances discussed in your written request of August 17, 2010. Pursuant to Oklahoma Administrative Code 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

Marc Morrison
Tax Policy Analyst

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

June 24, 2010

RE: LR-10-106 (Sales Tax Inquiry)

Dear

I am writing this letter in response to your request regarding sales tax. Based upon the facts presented, an exact response can not be given based upon the limited information that you have presented regarding the lease of tangible personal property to a licensed manufacturer. However, pursuant to Oklahoma Tax Commission Rule 710:65-13-150.1 (copy enclosed), a licensed manufacturer may purchase or lease tangible personal property that is used directly in its manufacturing operation (as defined in 710:65-13-150.1) exempt from sales and use tax and pursuant to Oklahoma Tax Commission Rule 710:65-7-9, a vendor is required to obtain a valid copy of the manufacturing permit for a customer claiming this exemption. In addition, I have attached Oklahoma Tax Commission Rule 710:65-1-11, regarding rentals and leases of tangible personal property for you to examine.

If you are still requiring a ruling after examining these rules, please furnish the circumstances of the lease, descriptions of the tangible personal property that is being leased, and the permit number of the Oklahoma manufacturer, since you have stated that the manufacturer has a permit expiration date of 5/10/2010.

This response applies only to the circumstances discussed in your written request of June 14, 2010. 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