OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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January 11, 2011

Dear

Re: LR-10-111 (Sales Tax Inquiry)

I am writing this letter in response to your request regarding sales tax. Set forth are the facts presented verbatim along with the responses thereto.

Facts

> We are in need of your guidance regarding the attached tax matrix that we have created for one of our clients in the services industry. In summary, Client X provides their customers with whatever services their customers need (see variety attachment), whether in an outsource situation or a temporary staffing situation. They are what we would call a job shop for service needs when a company lacks the equipment or staffing to complete an administrative type or project function.
>
> If your state taxes staffing services, please also respond with the tax treatment for both supervised and unsupervised contracts. Client X may send in their person for the customer to direct or Client X may be hired to provide full management assistance and oversees the staffing. For the services listed, the assistance may occur at the customer site or at Client X's office.

Response:

Oklahoma does not impose sales tax on sales of staffing services; however, it is unclear whether your client is providing staffing services or is making sales of supplies and equipment in conjunction with the provision of the services set forth on the matrix submitted with your request. The transactions upon which sales tax is levied are outlined in Section 1354 of Title 68 of the Oklahoma statutes, copy enclosed. The administrative rules provisions governing sales and use taxes are available at www.tax.ok.gov under the caption "Rules and Decisions."

This response applies only to the circumstances discussed in your written request of June 16, 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