OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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October 19, 2011

Re: Our File No. LR-11-100

Dear

This is in response to your request for issuance of a statement explaining that does not need a Sales Tax Permit, but rather a Consumer Use Tax Permit and that is in compliance with the State of Oklahoma. Set forth verbatim are the facts presented and the response thereto.

FACTS

All of our equipment is purchased in the State of and then is shipped to our installation technicians across the United States. pays a Use Tax on all of the equipment that is brought into the State, in compliance with State law. When a customer decides to have a system installed in their home they pay an installation fee and the only other fee the customer pays is a monthly monitoring fee. The equipment is provided to the customer free of charge.

We respectfully request that the Tax Policy Division issue a statement explaining that does not need a Sales Tax Permit, that our Consumer Use Tax Permit is the only permit that the company is required to have, and that is complaint with the State of Oklahoma Tax Commission.

RESPONSE

Based on the facts presented, acts wholly as a provider of a nontaxable service, and is the taxable consumer/user of all items of tangible personal property and taxable services used to provide the service. Oklahoma Administrative Code 710:65-19-309. As such, would owe state sales or use tax and any local tax as applicable on the items purchased to provide the alarm

monitoring services. If makes purchases from outside Oklahoma, from a vendor that is not required to collect Oklahoma sales or use tax, it is required to accrue, report and remit, pursuant to its Oklahoma consumer use tax account, Oklahoma state and any local use tax on the items purchased. Oklahoma allows a credit against Oklahoma consumer use taxes for taxes paid to other states in accordance with Section 1404 (3) of Title 68 of the Oklahoma Statutes. OAC 710:65-1-7. Therefore, based on the foregoing has properly been issued an Oklahoma consumer use tax account and is not required to possess an Oklahoma sales tax permit.

This response applies only to the circumstances discussed in your request of August 10, 2011. 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

Brenda J. Sullivan
Tax Policy Analyst