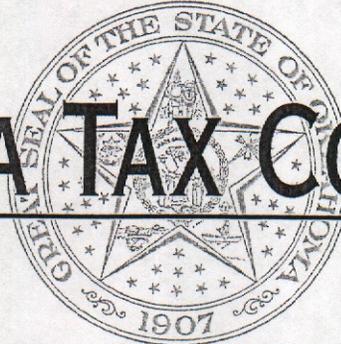


# OKLAHOMA TAX COMMISSION



TAX POLICY DIVISION

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

July 19, 2011

RE: LR-11-081 (Sales Tax Inquiry)

Dear [REDACTED]

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

Facts:

Our company, [REDACTED], began business in the State of Oklahoma on July 3, 1996. Our [REDACTED] and our sales tax permit is [REDACTED]. At that time, we were told our labor is taxable. I have paid monthly sales tax for years.

We constantly have to verify to customers our labor is taxable. I fax them the attached Sales and Tax Rules on page 208 (710:65-19-329) #B 1-5. However, in looking into the OTC Rules further, I find on page 211 (710:65-19-330) #D-2 states the installation or maintenance of wiring or equipment on a customer's premises is an example of a non-taxable transaction.

Our company installs cable (wire) on the customer's premises. We are a service-based company that may or may not sell a customer materials needed to complete the job. Most customers supply us with their own materials and we supply the labor to install the wiring. Cable installation is our only business.

Response:

Generally, labor charges, if separately stated, are not subject to Oklahoma Sales Tax. 68 O.S. 1352(12). However, Section 1354(5) of Title 68 specifically levies sales tax on nonrecurring charges which are defined as "an amount billed for the installation, connection, charge or

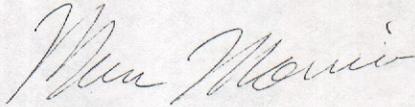
initiation of telecommunications services received by a customer." Certain telecommunications nonrecurring charges which include the installation, connection, charge or initiation of telecommunication services which are not associated with a retail consumer sale are exempted from the sales tax levy pursuant to 68 O.S. § 1357(18)(g).

Therefore, any labor charges by [REDACTED] that fall within Section 1354(5) which are not exempted by Section 1357(18)(g) are subject to sales tax.

This response applies only to the circumstances discussed in your written request of September 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

A handwritten signature in cursive script, appearing to read "Marc Morrison".

Marc Morrison  
Tax Policy Analyst