OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

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October 22, 2010

RE: LR-12-026
Sales Tax Inquiry

Dear

I am writing this letter in response to your request regarding the issuance of an Oklahoma Sales Tax Permit to a used car lot. Set forth verbatim are the facts presented along with the responses thereto.

Facts:
We are writing in regards to a problem we are having with companies in the State of Texas and California. They require any business that purchases vehicles for resale to give them a copy of an Oklahoma Resale Tax Permit to be exempt from sales tax. The same law goes into effect in the State of Kansas in two weeks also.

We called the Oklahoma Tax Commission and were told that resale sales tax permits are not issued to car dealers for reselling vehicles to the public. We contacted the vehicle auctions in those states and they asked us for a letter from the Oklahoma Tax Commission stating these facts. We called your office again and they asked us to fax a letter requesting this letter to the Tax Policy Department.

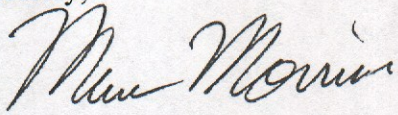
Our Response:

Sellers of used cars do not make sales subject to the sales tax levied by Sections 1350 et seq. of Title 68 of the Oklahoma Statutes and therefore do not qualify for an Oklahoma sales tax permit. 68 O.S. §§ 1363 and 1364.

This response applies only to the circumstances discussed in your written request of August 04, 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