OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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April 25, 2012

Re: LR-12-029, Sales Tax Inquiry

Dear

This is in response to your request regarding assignment of exempt status to its contractor to purchase exempt from sales/use tax tangible personal property used to construct a supportive housing program that will have sixty apartments.

It is my understanding that qualified for the sales tax exemption found at 68 O.S. § 1356(54) which exempts sales of tangible personal property to a nonprofit organization, exempt from taxation pursuant to the provision of the Internal Revenue Code, 26 U.S. C., Section 501(c)(3), organized primarily for the purpose of providing services to homeless persons during the day and located in a metropolitan area with a population in excess of five hundred thousand (500,000) persons according to the latest Federal Decennial Census. The exemption authorized by paragraph (54) is applicable to sales to tangible personal property to a qualified entity occurring on or after January 1, 2005. In order for the sales tax exemption to be applicable, the sale must be made to the —invoiced to and paid for with funds of said entity. A contractor may not purchase tangible personal property or services to perform contracts with exempt from sales/use tax. See OAC 710:65-13-344, a copy of which is enclosed.

Further, without additional information, we cannot verify your continued qualification for the sales tax exemption in Section 1356(54) of Title 68 due to the operation of a housing program with sixty apartments.

This response applies only to the circumstances discussed in your request of March 28, 2012. 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

Brenda J. Sullivan
Tax Policy Analyst