OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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August 5, 2013

RE: LR-13-024 (Sales Tax Inquiry)

Dear

This letter is in response to your request regarding Oklahoma Sales Tax. Set forth verbatim are the facts presented along with the response thereto.

Facts:

is a company in the state of whose business activity is leasing and financing equipment. Please see attached filing information from the website as proof of s maintain place of business as defined in Oklahoma Administrative Code (OAC) 710:65-1-8 (b): "Maintaining a place of business" defined.

Recently, determined that we are incorrectly operating under a sales tax license rather than a vendor's use tax license. According to OAC 710:65-21-4 (a): Use tax on out-of-state purchases, "Tangible personal property bought outside this state either by an Oklahoma user or consumer or out-of-state user or consumer in such a way that the vendor need not collect sales tax in that State, and brought into this State for storage, use or other consumption is subject to the use tax." leases equipment to Oklahoma customers with the transactions finalized at office in The equipment is transported to the customer's place of business in Oklahoma by an independent, authorized dealership; is not involved in the shipping or deliver of the leased equipment. The aforementioned leases are synonymous with the word "sale," which is included in the definition of "use tax," both defined under OAC 710:65-21-2: Definitions.

Since does not maintain a place of business within the state of Oklahoma but makes a sale of tangible personal property for use in the state as stated in OAC 710:65-21-5: Voluntary registration by certain out-of-state retailers or vendors, respectfully requests for the current sales tax license to be closed and a new vendor's use tax license created.

Response:

The sale of tangible personal property, unless specifically exempted by the provisions of the Oklahoma Sales Tax Code, is subject to the levy of sales tax. 68 O.S. §1354(A)(1). A sale includes but is not limited to "the exchange, barter, lease, or rental of tangible personal property resulting in the transfer of the title to or possession of the property." 68 O.S. §1352(22)(a).

Based upon the facts presented, because is renting tangible personal property in Oklahoma, it is making sales subject to sales tax in this state. Therefore, is required to hold an Oklahoma sales tax permit and collect, report and remit state and any applicable local sales tax on the described transactions.

This response applies only to the circumstances discussed in your written request of April 15, 2013. Pursuant to Oklahoma Tax Commission 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