OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
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June 24, 2015

Re: LR-15-001

Dear

This is in response to your request for a letter ruling on whether or not the services listed in your correspondence are taxable. Set forth are the facts presented in your correspondence and the response thereto.

FACTS

We, are registered to transact business in the State of Oklahoma. Below is a detail of the business transactions that we are conducting in the State of Oklahoma. We are requesting a letter ruling on whether or not these services are taxable for sales tax in the State of Oklahoma.

> Line Locating Service – A company will hire us to represent them and to locate existing pipeline assets and to provide general oversight to ensure that Company's line locating policies, practices and programs are being followed. To accomplish this task, individuals utilize a hand held detecting device and probe to locate the existing underground pipeline assets.
>
> COR (Contract Operations Representative) Service – A company will hire us to serve as a representative and issue Safe Work Permits and to provide general safety oversight to ensure company safety policies, practices and programs are being followed at the company's operating areas.

RESPONSE

The services described above are not transactions upon which a sales tax is levied. However, equipment, materials and supplies purchased, leased or rented in Oklahoma for use in providing nontaxable services are sales taxable to the person providing the service.[1] Likewise, use tax is due on the referenced items when purchased out-of-state and brought into Oklahoma for use or consumption.[2]

Attached are copies of the cited Oklahoma statutes and administrative rule provisions.

This response applies only to the circumstances discussed in your request of January 6, 2015. 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

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[1] OAC 710: 65 -19 -309

[2] 68 O. S. § 1402