

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR



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

September 23, 2008

RE: LR 08-119
Sales Tax inquiry

Dear

I am writing this response to your inquiry regarding the sale of concrete to
who have been contracted by to construct a
facility to produce nitrogen gas.

Facts:

is a qualified manufacturer of nitrogen gas and they have hired
to build a facility for the production of nitrogen gas.
are claiming to be exempt from sales tax based upon
manufacturing exemption.

Your question:

Are these sales subject to sales tax?

Our Response:

The purchase of tangible personal property by a manufacturer with the purpose of incorporating it into real property is subject to sales tax. The only exception to this is for qualified manufacturers which can be found in Oklahoma Tax Commission Rule 710:65-13-153 (copy enclosed).

This response applies only to the circumstances discussed in your email request of August 18, 2008. 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,

A handwritten signature in cursive script that reads "Marc Morrison".

Oklahoma Tax Commission
Marc Morrison
Tax Policy & Research Division