

# OKLAHOMA TAX COMMISSION

June 26, 2002

TAXPAYER ASSISTANCE DIVISION  
RUSS NORDSTROM, DIRECTOR  
1405I 522-001B

Cheyenne & Arapaho Tribes of Oklahoma  
PO Box 8  
Concho OK 73022

TPA

FEI 730710910

This is in response to your application dated June 25, 2002 concerning the sales taxability of purchases made by Cheyenne & Arapaho Tribes of Oklahoma.

The Oklahoma Tax Commission recognizes that it does not have jurisdiction to tax transactions which occur within "Indian country", as defined by federal law, where the incidence of the tax falls on a tribe or tribal member. *Oklahoma Tax Commission v. Chickasaw Nation*, 115 S.Ct. 2214 (1995).

In a sales tax exemption letter recited by the Court of Appeals in *Chickasaw Nation*, 31 F.3d 964 (10th Cir. 1994), the Commission clarified its position on the sales tax exemption of tribes as follows:

In order to be entitled to the exemption, the sale must satisfy the following requirements:

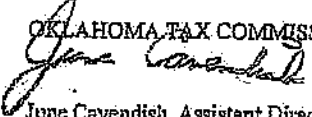
1. The sale must be made directly to the federally recognized Indian tribe.
2. Payment must be received directly from the tribe.
3. The tribe must be the consumer or user of the purchased goods which is consumed or used within Indian country.

Pursuant to 68 O.S. Section 1404, any purchase exempt from sales tax is also exempt from use tax.

If you have any questions concerning this matter, please contact a Taxpayer Assistance Representative at (405) 521-3160.

Sincerely,

OKLAHOMA TAX COMMISSION

  
June Cavendish, Assistant Director  
Taxpayer Assistance Division

JC:lw

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IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION