

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

May 8, 2000

Re: Our File Number LR-00-83; Taxability of a box design fee to a distributor

Dear I

This is in response to your request for advice as to whether it is appropriate to charge Oklahoma sales tax on any portion of the cost of boxes sold to your firm which will use such boxes to not only ship your product, , to retailers which will then resell the products to retail consumers but also to allow such boxes to display the products at the point of sale (P.O.S.).

The taxability of your purchase from both the box manufacturer and other vendors may be dependent on whether you are a manufacturer. If you believe that you are a manufacturer, please fill out the enclosed Business Registration form, especially the section on page 2, titled **Manufacturer's Limited Exemption Certificate**, and return it.

If you are not a manufacturer, the Oklahoma Tax Commission is unable to provide a definitive answer to your request without additional information. Therefore, please provide documentation, including but not limited to examples of purchase orders, billing statements, statement of payment, the applicable contract or agreement that fully explains the arrangement between you and the company, and release forms, etc.

Upon receipt of the additional information we will again review your request and be able to make a more informed determination of the status of the transaction presented. If you should have any questions or need additional information you may contact me at the above listed number.

Sincerely,

Brenda J. Sullivan
Tax Policy Analyst

Enclosure

2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

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