OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

October 6, 2000

Re: Our file Number LR-00-121; Approval of sales tax exemption form.

Dear

This is in response to your request for approval for a form your company has developed for use with its clients that are veterinarians.

My review of the form indicates that, while the form contains the correct wording in the certification and spaces for the permit numbers, since it asks for an indication of taxability by a product classification rather than for a use, it may lead to errors by the veterinarians.

For example, it asks the veterinarian to choose whether tax should be applied to groups you have labeled as "insecticides" and "sundries". However, it appears likely that those items listed in these groups that are packaged for resale to consumers are exempt when sold to veterinarians that hold sales tax permits, but those that are sold for the use by the veterinarian in the practice of veterinary medicine are taxable. Your form does not allow for this distinction.

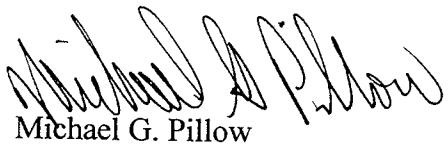
In the same manner, the other products may be taxable or exempt depending on the intended use of the product and the permits held by the veterinarian. Thus the "meds" may be used by the veterinarian, or resold, or used in agricultural production by the veterinarian that holds an Agricultural Exemption Permit. In the first case, they would be taxable when purchased but in the last two cases, they would be eligible for exemption. The rule on establishing the exemption for use in agricultural production requires that the permit holder notify the vendor when an item being purchased is taxable if the purchaser has earlier made tax exempt purchases and has given the permit number to the vendor.

This response applies only to the circumstances set out in your request of June 7, 2000. 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 that there has been no change in applicable law.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX COMMISSION



Michael G. Pillow
Tax Policy Analyst