

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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March 14, 2001

Re: Our file Number LR-01-024; Sales tax exemption for a wholesale nursery.

Dear

This is in response to your inquiry concerning the ability of a wholesale nursery, to make purchases of items exempt from sales tax pursuant to its agricultural exemption permit.

Of the items you listed under the heading "For the workers", only safety clothing and safety equipment may be purchased exempt from sales tax by the holder of an agricultural exemption permit.

Of the items you listed under the heading "For the office", only the items you identified as "boxes to ship nursery produce" and "bags to ship nursery products" may be purchased exempt from sales tax by the holder of an agricultural exemption permit.

The last response is based on the presumption that the computer and computer software do not have a direct effect on the plants being grown, as it might if it monitored their condition and took action to cause them to be watered, etc. Furthermore, it was assumed that the cleaning products were products used to clean the office. These responses are based on Oklahoma Tax Commission Rule 710:65-13-15. A copy is enclosed.

Concerning the need to register and collect sales taxes in other states, you will need to contact those states for information as to how their laws impact your business. Generally, a state may not require that a business collect its taxes if the business does not have a physical presence in that state. A web site that contains the links to all states tax departments' web sites is:

<http://www.taxadmin.org/fta/link/link.html>

This response applies only to the circumstances set out in your request of March 13, 2001. 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