

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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August 7, 2001

Re: Our file Number LR-01-084; Sales Tax on third party drop shipments

Dear

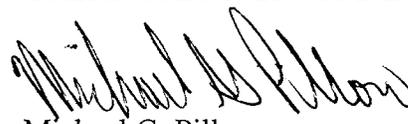
This is in response to your inquiry in which you ask for additional information concerning the subject referenced above. You asked how our response would differ if 1) the inventory point of shipment is inside the state, or 2) the goods are delivered by your company's own vehicle.

In both of those situations, title and possession of the goods sold occurs in Oklahoma, thus the sales are not sales in interstate commerce and therefore are not subject to OAC 710:65-15-1. In both situations, since the title to the goods transfers in Oklahoma, customer receives title to goods in Oklahoma and therefore has sufficient connection with Oklahoma to be required to hold an Oklahoma Sales Tax permit to be able to make purchases exempt for resale.

This response applies only to the circumstances set out in your request of July 27, 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