

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
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July 25, 2001

Re: Our File Number LR -01-92; Taxability of direct advertising  
mailing coupons

Dear :

This is in response to your request for a ruling regarding the taxability of advertising mailings based on the samples of the three companies, and that you provided in your correspondence of June 21, 2001.

Please be advised that Section 1354(10) of Title 68 specifically levies a sales tax upon advertising of all kinds, types and character, including any and all devices used for advertising purposes except those specifically exempt pursuant to the provision of Section 1357 of Title 68. Section 1357 (4) of Title 68, exempts from this levy of sales tax, **sales of advertising space in newspapers, periodicals**, and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television.

You stated that representatives of competitors of advertising mailings services considered the advertising mailings to be like newspapers and were exempt from sales tax since they are done on a periodical basis. Pursuant to Section 1354(A) of Title 68, newspapers and periodicals are specifically exempted from sales tax. In order to qualify for the exemption, the publication at issue herein must meet the definition of a newspaper or periodical. (See Oklahoma Tax Commission Rule 710:65-13-190). According to Commission Rule 710:65-13-190, advertising mailings do not qualify as a "newspaper" or "periodical" which would place them within the exemption as provided by Section 1354 (A) of Title 68. Furthermore, the advertisements would not qualify for the exemption as outlined in Commission Rule 710:65-19-265, (see part g), since the advertisement would not be inserted in a newspaper. Therefore, the sale of advertising mailings at issue herein would be subject to sales tax.

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

We are unable to make confirmation as to whether companies who provide advertisement mailing are paying tax on gross proceeds on their sales of advertisement mailing because of confidentiality, pursuant to Section 205 of Title 68.

This response applies only to the circumstances set out in your request of June 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.

Copies of Oklahoma Statutes and Commission Rules referenced are enclosed for your information. If I can be of further assistance, please contact.

Sincerely,

Brenda J. Sullivan  
Tax Policy Analyst

Enclosures