

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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February 28, 2002

Re: Our File No. LR-02-010; Sales tax on handling charges.

Dear

This is in response to your inquiry concerning the exemption from sales tax of handling charges.

Handling charges that represent the fee for the work performed by a vendor in preparing an order for shipping and the charge for shipping, when stated apart from the price of the goods shipped, are not subject to sales tax in Oklahoma. This is true whether the handling and shipping charges are shown as individual line items on an invoice or they are combined into one item and stated on a separate line on the invoice.

This response applies only to the circumstances set out in your request of January 14, 2002. 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