

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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May 7, 2002

Re: Our file Number LR-02-051; Sales tax on the sale and use of veterinary products.

Dear

This is in response to your inquiry concerning the correct sales tax accounting for the sale and use of veterinary products. A copy of Oklahoma Tax Commission Rule 710:65-19-350 dealing with this subject and a copy of our December letter, written to Nancy Speer of your company are enclosed.

The medications listed in your letter are not exempt by virtue of their being medicines that must be prescribed by a veterinarian. In Oklahoma, veterinarians are the taxable consumers of goods used in the provision of their services. The exemption that may apply to some purchases by veterinarians is for those goods that veterinarians purchase for resale to their customers and which are not provided or dispensed as a part of the provision of veterinary services.

may purchase exempt from sales tax those goods which it is going to resell to its customers. If a good is not resold, but instead is dispensed as a part of, or in connection with, the provision of veterinary services, sales tax should be paid when it is purchased.

Items which are purchased that may either be sold or which may also be dispensed as a part of the provision of veterinary services may be purchased exempt from sales tax and, if they are dispensed as a part of the veterinary services provided, tax should be accrued and paid on them at the time they are withdrawn from the inventory for use in the veterinary practice.

This response applies only to the circumstances set out in your request of April 15, 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

A handwritten signature in black ink, appearing to read "Michael G. Pillow". The signature is written in a cursive style with some loops and flourishes.

Michael G. Pillow
Tax Policy Analyst

ENCLOSURES (2)