

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
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August 8, 2002

Re: Our File Number LR-02-114; Exemption from sales tax on the sale of clothing by

Dear

This is in response to your inquiry concerning whether \_\_\_\_\_ must charge sales tax on its sales of clothing. \_\_\_\_\_ is an agency of the \_\_\_\_\_

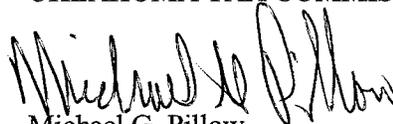
The sales tax exemption for churches is found in Oklahoma Tax Commission Rule 710:65-13-40. It exempts sales made by churches which are not in competition with businesses in the same business. A copy is enclosed. The rule provides that whether the sales are in competition will be based on the real practical effect on competition.

In your letter you state that most of the clothing you receive is given away. In view of this, and in view of the facts that the sales made by \_\_\_\_\_ are made only a few hours each week, are made for a nominal amount of \$0.50 per item and that often, gifts of additional clothing are made along with each item sold, the actual effect on competition is negligible, and therefore the sales are exempt from sales tax.

This response applies only to the circumstances set out in your request of July 16, 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

Enclosure: (1)