

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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October 10, 2002

Re: Our File Number LR-02-163; Sales tax on drop shipments.

Dear

This is in response to your inquiry concerning the documentation required to be obtained by a vendor on a sale for resale where the tangible personal property is being shipped to a third party that is located in Oklahoma.

If the sale is made from an inventory point outside Oklahoma, by common carrier, you should obtain a resale certificate that states that your customer is making the purchase for resale. A copy of your customer's home state sales tax permit should be obtained to show that your customer is in the business of reselling the articles being purchased.

If the sale is made from an inventory point inside Oklahoma, or is delivered in own vehicles, or is installed by your customer is required to hold an Oklahoma Sales Tax Permit in order to make purchases for resale. You should obtain a copy of an exemption certificate and a copy of the Oklahoma sales tax permit of your customer.

A copy of Oklahoma Tax Commission Rule 710:65-13-200 is attached.

This response applies only to the circumstances set out in your request of September 19, 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