OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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July 14, 2003

[redacted]

Re: Our File Number LR-03-084; Timing of sales tax collection and remittance

Dear [redacted]

This is in response to your inquiry in which you ask:

"1) Does a sale occur when a customer makes a partial or full payment at the time an order is placed, or

2) Does a sale occur when the seller has completed performance (manufactured and delivered the goods) and possession and title are transferred to the buyer, in some cases several months following order placement?"

[redacted] is responsible for reporting and remitting sales tax on the total of the orders taken during the month, including the amounts billed to credit cards and the amounts on which partial deposits were taken since not only are deposits to be included in the total gross receipts reported each month, but also, sales tax is a trust fund tax and the funds charged must be remitted without regard to the time or method of payment.

If [redacted] remits the sales taxes when the taxes are disclosed to the purchaser and a deposit is taken, the only time it would be necessary to bill taxes at a new rate, in the case of a rate change, is in the instance when an additional sale is made.

This response is based on the definition of "gross receipts" found in Section 1352 of Title 68 of the Oklahoma Statutes and on the requirement to report and remit sales tax on gross receipts found in Section 1365 of the same title.

The fact that the tax is to be held in trust for the state is found in Section 1361 of Title 68 of the Oklahoma Statutes.

Copies of the sections mentioned are enclosed.

This response applies only to the circumstances set out in your request of April 24, 2003. 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