# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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July 29, 2003

Re: Our File Number LR-03-121; Sales tax on the sales of services and on discounts

Dear

This is in response to your inquiry concerning the subjects referenced above.

There are some services that are subject to sales tax in Oklahoma. There are many that are not. It may be of help to you to review the list of the sales on which the sales tax is levied in Oklahoma. A link to the site that allows you to look at the Oklahoma Statutes is being sent with this email. The levy of sales tax may be found at Title 68, Section 1352. This would be entered into the search engine as "68-1352", after scrolling down to the part of the engine that states "Search Oklahoma Statutes Database".

Whether discounts offered on sales made in Oklahoma are subject to sales tax depends on whether the underlying sale is taxable and on the terms of the discounts that are offered. I was not able to determine from your email, the taxability of the discounts you reference. However, I have attached to this email Oklahoma Tax Commission Rule 710:65-19-74 which is titled "Discounts" and Rule 710:65-1-9, the last two sub-sections of which deal with discounts.

This response applies only to the circumstances set out in your request of June 25, 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