

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
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September 25, 2003

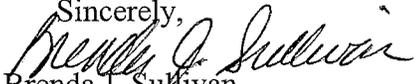
Re: Our File Number LR-03-173; Tax status of fry oil used by restaurant owners

Dear

This is in response to your request for a written determination regarding charging Oklahoma restaurant owners sales tax on fry oil. Pursuant to Commission Rules 710:65-19-110 (C), "the vendor of meals or beverages cannot buy exempt any tangible personal property consumed in the operation of his business..." and 710:65-19-256 (2) states that "Items are exempt, if they are nonreusable and accompany sales. If items can be reused then they would be taxable." Copies of rules are enclosed.

In view of the above Commission Rules, restaurant owners' reuse of fry oil would be considered a consumable product in regards to the preparation of food. Therefore, should charge, collect, and remit sales tax on sales of fry oil to Oklahoma Restaurant owners.

This response applies only to the circumstances set out in your request of September 3, 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,

Brenda J. Sullivan
Tax Policy Analyst

Enclosure