

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133  
FACSIMILE (405) 522-0063



November 3, 2003

Re: Our File Number LR-03-177; Sales Tax on the sale of school pictures.

Dear

This is in response to your inquiry concerning whether sales tax is due on the sale of school photos, where the school collects the money from the sale of the photos and deposits it into a school owned account. Your company then supplies the photos and invoices the school an agreed upon amount for each package of photos. The school pays your invoice from the school owned account.

Sales that are handled in this manner are not subject to sales tax if the school is a public or a private school that is registered with the state Department of Education since the sale of the photos by your company is being made to the school. You should obtain a copy of the letter issued to the school by the Oklahoma Tax Commission verifying the school's exemption from sales tax on its purchases along with a statement that the purchase is being made by the school with funds of the school.

Copies of Oklahoma Tax Commission Rule 710:65-7-15, which deals with sales to exempt entities and Rule 710:65-13-210 which deals specifically with sales to schools are enclosed.

As you may infer from the later rule, the school's subsequent sale of the pictures to the school's patrons will also be exempt.

However, in those cases where you do not make sales to an exempt school, but where instead, the patrons pay your company directly for the pictures, the sales are subject to state sales tax and any local tax in effect at the location where the pictures are delivered to the buyers.

This response applies only to the circumstances set out in your request of September 9, 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

A handwritten signature in black ink, appearing to read "Michael D. P. Now". The signature is written in a cursive style with a large initial "M".

Tax Policy Analyst