March 22, 2004

VIA email to

Re: Our File Number LR-04-005; Sales tax on dog food

Dear

This is in response to your inquiry concerning whether you should pay sales tax on your purchases or dog food and whether you should charge sales tax on your provision of pet food to your clients for their pets.

As noted in the attached rule (710:65-19-350), if you are only providing food to clients to whom you have provided professional veterinary services, you should pay sales tax on the food when it is purchased and you have no further responsibility for charging sales tax on the charges for the food when it is given to your clients. This is true without regard to whether the food is for a "prescription diet" or whether it can be purchased from non-veterinary sources, so long as you have performed veterinary services for the animal for which the food is provided.

However, if you make sales to persons who have not received veterinary services from you, then you are acting as a vendor and you are required to charge sales tax on your sales to such persons. Please refer to paragraph (e) in the rule.

If you are going to be regularly engaged in making sales which are subject to sales tax, you will be required to obtain a sales tax permit. With a sales tax permit, you can make purchases, exempt from sales tax, of the items which will be resold and which will not be used or provided to clients where veterinary services have been provided. If you get a sales tax permit and use items that you have purchased exempt, for resale, in you practice, you should accrue and remit the sales tax on the sales value of the items so withdrawn. An example would be your buying non-prescription dog food exempt from sales tax for resale, but then providing it to an owner of an animal which is under your care. Please refer to paragraph (c) in the rule.

This response applies only to the circumstances set out in your request of January 8, 2004. 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