OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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September 15, 2004

Re: Our File Number LR 04-188; Taxability of dietary supplements and vitamins and nutritional products

Dear

The Oklahoma Sales Tax code contains no exemption of food or nutritional supplements, etc. from the levy of sales tax unless the food or food product is purchased with food stamps. Therefore, the product represented by photocopies of labels that were submitted with your correspondence is subject to Oklahoma sales or use tax pursuant to Section 1354 (1)(A) and Section 1402 of Title 68.

A "multi-level" sales company is required to charge sales tax on the retail price of its product and collect sales tax from its distributors who will in turn collect the tax from the consumers. The tax is to be collected at the location which the "multi-level" sales company can identify which will be the delivery address. Oklahoma sales tax is a combination of the state rate of four and one-half percent (4 ½%) and any applicable city and county sales tax. See Oklahoma Tax Rule 710: 65-19-214 and 710:65-18-3 and the list of city and county tax rates for sales and use tax.

Copies of the statutes and rules referenced herein, a registration packet and city and county tax rate are enclosed. If I can be of further assistance, please contact me at (405) 521-3133.

This response applies only to the circumstances set out in your request of August 27, 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,

Brenda J. Sullivan
Tax Policy Analyst
Oklahoma Tax Commission

Enclosure