June 2, 2005

RE: LR-05-84-Gift of 150th. Anniversary Case of Beer to distributors and taxation thereof.

Dear l

Receipt is acknowledged of your letter to Monty Bivens, Director of the Audit Division, wherein you stated that in celebration of
150 years of brewing, proposes to give each of its distributors a 150th. Anniversary case of a specially brewed beer that will not be available to the public. You further stated that this gift is for personal consumption by the distributors and that "there is no direct or indirect charge" for this gift.

Based on the foregoing statements, you asked the following:

A. Is there an exception to the state excise tax requirements for products given as gifts or for products brewed in limited quantities?

No, there is no exception to state excise tax that would apply to this form of product. See prohibited acts at 37 O.S. Section 537, and see, also, 37 O.S. Section 554, exemptions from excise tax.

B. Alternatively, if necessary, would it be possible for us to obtain a variance for any such requirement for this specific purpose?

Any exemption from a tax levied by the State would have to be introduced by the Oklahoma legislature. The Oklahoma legislature has adjourned for this year. New bills will not begin to be considered until November to December of this year, in preparation for the Legislature convening in February 2006.

The statutes referenced above may be viewed at the following website by entering the appropriate section number as the search term:

www.oscn.net/applications/oscn/search.asp?simple=true

This response applies only to the circumstances set out in your request of May 9, 2005. 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.

Sincerely,
OKLAHOMA TAX COMMISSION

Evelyn B. Phyffer
Tax Policy Analyst

cc: Jim Mallard, Supervisor
Audit Division