OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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

September 27, 2005

Re: Our File Number LR 05-150; Taxability of dietary supplements and vitamins and nutritional products

Dear

This is in response to your request for a letting ruling regarding the taxability of your company's products. Please be advised that the products represented by photocopies of labels that were submitted with your correspondence are subject to Oklahoma sales or use tax pursuant to Section 1354 (1)(A) and Section 1402 of Title 68.

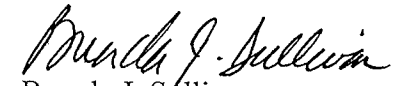
If you are a multilevel company, which ships its merchandise from out-of-state, directly to consultants or distributors, who distribute the products to their customers, the sales are subject to Sales Tax and the shipping and handling charge if separately stated on the invoice, would not be subject to tax. See Oklahoma Tax Rules 710:65-19-70(b). Also see Oklahoma Tax Rules 710: 65-19-214 and 710:65-21-1 through 710:65-21-5 and Sections 1401 and 1402 of Title 68. Additionally, to determine the sales tax rate in Oklahoma or where sales tax would be due refer to Commission Rule 710:65-18-3 "Sourcing of retail sales" and 710:65-1-3 Computation of sales and use taxes to be collected and remitted and the list of city and county tax rates for sales and use tax enclosed.

Copies of the statutes and rules referenced herein, and a list of city and county tax rates 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 September 6, 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. If I can be of further assistance, please feel free to contact me.

Sincerely,



Brenda J. Sullivan
Tax Policy Analyst
Oklahoma Tax Commission

Enclosure