OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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December 5, 2005

VIA Fax to 479 273 4432

Re: Our File Number LR-05-207; Sales Tax on the sale of beer to a church

Dear :

This is in response to your inquiry concerning whether a church may purchase beer, exempt from sales tax.

A church may make purchases of beer, exempt from sales tax, in the same manner that it may also make purchases of any other tangible personal property exempt from sales tax. A vendor making a sales tax exempt sale to a church should obtain the information set out in Oklahoma Tax Commission Rule 710:65-7-15. The rule relating to the exemption for churches is 710:65-13-40.

Besides levying a sales tax on sales of tangible personal property, including sales of wine, liquor and beer, Oklahoma also levies additional, separate excise taxes on these items. The additional, separate excise taxes on these beverages is paid by the wholesaler at the time they are sold to the retailer. While there is an exemption from the separate excise tax levied on wine for sacramental wine sold to churches, the exemption for the separate excise tax is administered apart from the sales tax. There is no exemption for churches from the additional, separate excise tax that is levied on beer.

This response applies only to the circumstances set out in your request of November 28, 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,
OKLAHOMA TAX COMMISSION

Mike Pillow
Tax Policy Analyst