

# OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION  
TONY MASTIN, DIRECTOR

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May 23, 2006

Re: Our File Number LR-05-219; Sourcing of sales for local sales taxes

Dear

This is in response to your inquiry concerning the correct sourcing for the sales of flooring that your company makes. In your letter you state that generally, your company's customers pick out their flooring materials at your showroom and sign a contract at the showroom.

Later, an installer, who is an independent contractor, hired specifically to do a certain job, will pick up the materials from the warehouse and take them to the customer's home for installation.

On November 1, 2003, language was added to the sales tax code at Title 68 O.S., Section 1354.27, that requires retail sales where the products sold are not received by the purchaser at the location of the business of the seller to instead be sourced to the location where the receipt by the purchaser does occur.

In the case of the flooring materials that your company sales, the location that the product sold would be received by the purchaser would be at the installation site, and that is the point for which local sales tax, both any applicable city tax and any county tax, must be charged. Please see Oklahoma Tax Commission Rules 710:65-18-2 and 710:65-18-3 which deal with sourcing of retail sales. Copies are enclosed.

This response applies only to the circumstances set out in your request of December 20, 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



Michael G. Pillow  
Tax Policy Analyst