OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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August 15, 2006

Re: Our File Number LR-06-051; Sales tax on the sale of Dental Prosthetics

This is in response to your inquiry concerning the responsibilities of your client, which you describe as a manufacturer located outside Oklahoma, that sells dental implants and related products to dentists in Oklahoma. You state that the client has established nexus with Oklahoma through having sales representatives perform activities in the state.

You state that a dentist may purchase the following types of products:

1. Dental Prosthesis
2. Bone Regenerative Products
3. Allograft
4. Temporary Products

The sale of the items by your client to the dentists are subject to sales or use tax in Oklahoma and since your client has nexus with the state, it is required to charge, collect and remit the appropriate state and local sales or use taxes on each taxable sale made in Oklahoma.

The exemption for prosthetic devices found in 68 O.S. § 1357(20) and rule 710:65-13-171 does not apply to the sale of the products since the sales are not being made to an "individual for use by that individual", because they are instead being made to a dentist who will "use" them in his/her dental practice.

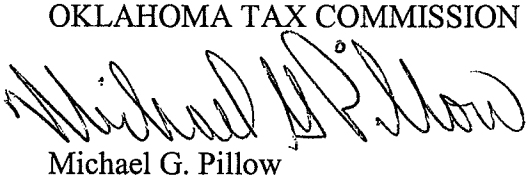
Your client is not a dental laboratory as defined in the Oklahoma statutes at 59 O.S.§ 328.3. Rather it is an out of state manufacturer of dental implants and other products. As such, the rule regarding dental laboratories in Oklahoma, 710:65-19-71, does not apply to your client.

This response applies only to the circumstances set out in your request of March 16, 2006. 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



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