OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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April 19, 2006

Re: Our File No. LR-06-059
Tax Laws Regarding Selling of Optical Products in Oklahoma

Dear

This is in response to your inquiry regarding the taxability of prescription eyeglass lenses, lens blanks and eyeglass cases.

Section 1354 (A)(1) of Title 68 of the Oklahoma Statutes specifically levies a sales tax on the sale of tangible personal property. The Oklahoma Sales Tax Code contains no exemption for the sale of prescription eyeglass lenses, lens blanks and eyeglass cases. Therefore, the products listed in your letter are subject to Oklahoma sales or use tax.

It is the intent of the Oklahoma Legislature to specifically include within the sales and use tax levies by this state all sales of tangible personal property and all storage, use or other consumption of tangible personal property occurring within this state. Oklahoma *sales tax* is levied on the sale of tangible personal property in Oklahoma. Oklahoma *use tax* is levied on the storage, use or consumption of tangible personal property within the state of Oklahoma.

Oklahoma sales tax and use tax is a combination of the state tax rate (4 ½%) and any applicable city and county sales or use tax. In order to determine the sales or use tax rate in Oklahoma, see Oklahoma Tax Commission Rule 710:65-1-3. The actual point of sale is the determining factor in computing the sales tax rate in Oklahoma. The point of sale is the place of delivery and the combination of state, city and county tax at that location would be due the state of Oklahoma.

Enclosed is a list of the city and county tax rates, copies of the statutes and rules referenced herein and an Oklahoma Sales Tax Report form. The Sales Tax Report is due on the 20th day of the month following each reporting period. You can find more

information and download copies of the Sales Tax Report from the Oklahoma Tax Commission website at www.oktax.state.ok.us.

Please be advised that shipping and handling charges are not taxable if they are separately stated on the bill or invoice apart from the price of the goods shipped. However, if the delivery charges are included in the selling price of the merchandise sold, the charges are subject to sales tax. See Commission Rule 710:65-19-70.

This response applies only to the circumstances set out in your request of March 27, 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,

Lisa R. Haws
Tax Policy Analyst

Enclosures