OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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July 18, 2006

Re: Our File No. LR-06-097; Taxability of archive newspapers

Dear

This is in response to your inquiry regarding the taxability of the archive material of the newspapers.

Section 1354 (A)(1) of Title 68 of the Oklahoma Statutes specifically levies a sales tax on the sale of tangible personal property, except periodicals and newspapers. It is clear the historical issues meet the "newspaper" definition as defined in Oklahoma Tax Commission Rule 710:65-13-190(b) and neither the Oklahoma statutes nor the Oklahoma Tax Commission rules limit the exemption to exclude the sale of historical issues of newspapers. The sale of newspaper archives which exist in bound volumes is not subject to sales tax in Oklahoma. At the very least, you may request a refund of the sales tax paid on the purchase of the "hard copies" of the newspapers.

Section 1359 of Title 68 specifically exempts from sales tax the sale of tangible personal property used in a manufacturing operation. Newspaper publishing is considered a manufacturing process and the use of the archives is an integral part of the publication process. Because the archives purchased are part of and necessary to the ongoing manufacturing process of publishing a newspaper, the purchase of the bound volumes and microfiche archives by a publishing company which holds an Oklahoma Manufacturing Sales Exemption Permit is exempt from sales tax.

Our records show you do not have a current Manufacturing Sales Exemption Permit to make exempt purchases of tangible personal property for use in the manufacturing process. If you did not have a permit at the time of the purchase, you are not entitled to a refund of the sales tax. If you held a Manufacturing Sales Exemption Permit at the time of the purchase, or if you had an application pending, you may request a refund of the taxes paid on the purchase of the "hard copies" of newspapers and the archived newspapers on microfiche.

This response applies only to the circumstances set out in your request of June 23, 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