OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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December 20, 2006

RE: Our File Number LR-06-170; Taxability of shipping material for wholesale auto parts company

Dear

This is in response of your inquiry wherein you asked if shipping material is taxable in Oklahoma. You stated that your company is a "wholesale auto parts company that buys shrink-wrap, boxes, packing tape, etc to use in transporting auto parts from your company's warehouse to various retail sites."

Please be advised that packing material used on a one time basis to pack wholesaler's or retailer's products in preparation for the customer would be subject to sales tax. However, Manufacturers are exempt on purchases of packaging materials. See Commission Rule 710:65-13-150.1 (b) (5) (D). Also, see Oklahoma Tax Commission Rule 710:65-19-256 for taxability of items purchased by permit holders. Please note that the list is not inclusive of all retailers or wholesalers. You may reference the rules at our website: www.oktax.state.ok.us.

This response applies only to the circumstances set out in your request of October 3, 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,

Brenda J. Sullivan
Tax Policy Analyst