OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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December 14, 2006

Fax Number:

RE: Our File Number LR-06-186; Tax status of newspaper advertisements

Dear

This is in response to your request regarding the legality and your compliance on the sale of advertisements in your newspaper.

Please be advised that Section 1354(10) of Title 68 specifically levies a sales tax upon advertising of all kinds, types and character, including any and all devices used for advertising purposes except those specifically exempt pursuant to the provision of Section 1357 of Title 68. Section 1357 (4) of Title 68, exempts from this levy of sales tax, sales of advertising space in newspapers, periodicals, and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television.

Additionally, Section 1354(A) of Title 68, specifically states that newspapers and periodicals are exempt from sales tax. In order to qualify for the exemption, the publication at issue must meet the definition of a newspaper or periodical. (See Oklahoma Tax Commission Rule 710:65-13-190).

Therefore, if your publication meets the test of a newspaper or periodical, the sale of advertisement therein would be exempt from sales tax. Otherwise, the publication would be subject to sales tax along with the sale of advertisements.

You may reference the above rule along with Rule 710:65-19-265, 710:65-19-266 and 710:65-13-193 at our website: www.oktax.stat.ok.us. If I can be further assistance, please write or contact me at (405) 521-3133.

Sincerely,

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst