OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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November 26, 2007

RE: LR-07-005
Sales Tax Inquiry

Dear

Please accept my apology for any inconvenience our delay in responding may have caused you due to not having received your initial request of January 08, 2007. You have stated that you are a chiropractor and you sell nutritional supplements to your patients as an adjunct to their chiropractic care and you are questioning if you should be collecting sales taxes from the sales of the supplements and what are the proper forms to submit for exemptions.

Sales of vitamins, minerals and dietary supplements by a licensed chiropractor to a person who is the patient of such chiropractor at the physical location where the chiropractor provides chiropractic care or services to such patient are exempt from sales tax. [68 O.S. § 1357(37)]

Under HB 1174XX, which became effective July 1, 2007 and exempts all sales of vitamins, mineral and dietary supplements by a licensed chiropractor to his/her patient, the proper format for reporting all of your sales is as follows:.

Our records indicate that you are currently receiving the sales tax report form *13-23-3* (also known as the long form). **All** sales (taxable and exempt) are to be recorded on your sales taxes on line **1** of your sales tax report (*total sales whole dollars*). Any withdrawals from inventory (items that you purchased tax exempt for resale and consumed) are to be reported on line **2** (*withdrawals from inventory)*, which are taxable at the price of the sales value (pursuant to **710:65-1-7**). The gross receipts from the sales of vitamins, minerals and dietary supplements sold to your patients are to be reported on line **3** (*total exemptions*). At the bottom of the report is a sales tax exemption schedule, you are to fill in the amount of the deductible sales under line **3g** (*other legal sales exemptions*) and

fill out the explanation on the back as "*sales of vitamins, minerals and dietary supplements sold to patients*".

It should also be mentioned, that if your net taxable sales (Line **4**) is zero, you are still required to file a sales tax report.

This response applies only to the circumstances discussed in your written request of January 08, 2007. 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 there has been no change in applicable law.

If you should have any questions, please feel free to contact me.

Sincerely,

Oklahoma Tax Commission

Marc Morrison

Marc Morrison
Tax Policy & Research Division