OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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August 30, 2007

Re: Sales tax inquiry regarding certain sales to a 100% Disabled Veteran; LR-07-119

Dear

I am writing in response to your inquiry regarding whether and in Oklahoma can sell alcohol and tobacco exempt from sales tax to a 100% Disabled Veteran.

Effective January 1, 2005, sales of cigarettes and tobacco are exempt from the levy of sales tax pursuant to Section 1355(11) of Title 68. Pursuant to Section 1357(34) of Title 68 sales of tangible personal property or services are exempt from sales tax when made to persons who have been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and who have been certified by the United States Department of Veterans Affairs, or its successor, to be in receipt of compensation at the one hundred percent (100%) rate for a permanent disability sustained through military action or accident or resulting from a disease contracted while in such service.[1] Therefore, in Oklahoma may sell low point beer[2] to disabled veterans qualifying for exemption under the referenced statutory provision exempt from sales tax.

In order to be relieved of any liability for the sales tax and the duty to collect imposed by 68 O.S. § 1361 of Title 68, the vendor must obtain either a copy of the exemption card issued the purchaser by the Tax Commission or the purchaser's name, address, and exemption number. See OAC 710:65-7-17, copy attached.

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[1] Section of Senate Bill 1084, effective August 25, 2006, expands the exemption to include sales for the benefit of the disabled veteran to a spouse of such veteran or to a member of the household in which the veteran resides and who is authorized to make purchases on the veteran's behalf, when such veteran is not present at the sale.

[2] Pursuant to Section 163.1 of Title 37 "low point beer" means and includes beverages containing more than one-half of one percent (1/2 of 1%) alcohol by volume, and not more than three and two-tenths percent (3.2%) alcohol by weight, including but not limited to beer or cereal malt beverages obtained by the alcoholic fermentation of an infusion of barley or other grain, malt or similar products.

This response applies only to the circumstances discussed in your request of August 21, 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.

Sincerely,

OKLAHOMA TAX COMMISSION

Christy J. Caesar
Tax Policy Analyst