OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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December 21, 2007

RE: LR -07-213
Sales & Use Tax Inquiry

Dear

You have inquired as to the proper method for determining the amount of sales tax to be charged on the way you deliver your products and services.

Our response:

You have stated that customers call your office or your service men for your products and services and give you the addresses to where the goods and services are to be delivered. You then charge sales taxes based on the addresses of the delivery locations.

(Pursuant to **710:65-18-3** sourcing of retail sales)
For those sales that are not sales of mobile telecommunications services and are not the lease or rental of tangible personal property other than transportation equipment, the sales shall be sourced to the location for which city and county sales taxes will be charged in the following manner:

(1) *When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location;*

(2) *When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser, or the purchaser's donee, designated as such by the purchaser, occurs, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller. Provided, this [paragraph] shall not apply to florists until January 1, 2006. Prior to that date, all sales by florists shall be sourced to its business location;*

(3) *When the provisions of paragraphs (1) and (2) of this subsection do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith;*

(4) *When the provisions of paragraphs (1), (2), and (3) of this subsection do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith; and,*

(5) *When none of the previous rules of paragraphs (1), (2), (3) or (4) of this subsection apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then the location will be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided, disregarding for these purposes any location that merely provided the digital transfer of the product sold.* [68 O.S.Supp.2003, § 1354.27(A)]

Based upon your descriptions of your transaction(s), the method that you use for determining the proper sales tax rates based on the delivery addresses, is correct.

This response applies only to the circumstances discussed in your written request of November 13, 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