# OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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December 21, 2007

LR-07-233
Sales tax inquiry

Dear

You were inquiring if you are required to charge Oklahoma sales tax on a sale that was made by an Iowa vendor that wanted you to forward the product to an Oklahoma business. You had been told that Oklahoma would honor the Iowa sales tax permit in this case.

Our response:

(Pursuant to 710:65-15-1 Sales related to interstate commerce)
**Tangible personal property shipped into this state.** In those cases in which tangible personal property is shipped into this State pursuant to a contract of sale, the sale will be considered to be made in this State, and subject to sales tax, if either of the following is met:
(1) The delivery of the tangible personal property is made by the seller to the buyer in this State. Delivery of tangible personal property will be considered as made in this State if either:
(A) Physical possession of the tangible personal property is transferred by the seller to the buyer in this State; or
(B) If delivery is made by an out-of-state vendor in the vendor's own vehicle, then the transaction is subject to sales tax. [**See:** 68 O.S. § 1402]
(2) The tangible personal property is installed in this State, by the seller or seller's agent.

From your description of the sale, it would not be subject to Oklahoma sales tax so long as the tangible personal property was placed in the possession of a 3rd party or common carrier for delivery to and or installation in Oklahoma.

This response applies only to the circumstances discussed in your written request of December 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