OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

April 17, 2008

Re: Proper reporting of direct pay purchases; LR-08-47

Dear :

I am writing in response to your request for clarification regarding the proper tax reporting of purchases made pursuant to a direct pay permit.

A direct payment permit holder may make both intrastate and interstate purchases, "for use in its Oklahoma enterprises and not for resale, and defer the taxes imposed by the Oklahoma Sales and Use Tax Codes until such time as the items are first used or consumed in a taxable manner."[1] The holder of the direct payment permit is responsible for reporting[2] and remitting state and any applicable local sales tax on intrastate purchases and also for reporting[3] and remitting state and any applicable local use tax on interstate purchases.

Should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely

OKLAHOMA TAX COMMISSION

Christy J. Caesar

Christy J. Caesar
Tax Policy Analyst

[1] Oklahoma Administrative Code 710:65-9-10
[2] Line 2 of the Oklahoma Sales Tax Report Form 13-23
[3] Line 1 of the Oklahoma Consumer Use Tax Report