OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

July 23, 2008

RE: LR-08-081 (follow up question)
Sales tax inquiry

Dear

I am writing this response to your question that you sent by e-mail, asking if Oklahoma Sales Tax would be due if his customer arranges for third party shipping to deliver the merchandise that is located in Oklahoma after it is purchased by you in Texas, or should the vendor arrange for third party shipping?

Our Response:

As long as the property is purchased from you in the state of Texas or outside the state of Oklahoma and the property is not to be used or to be later transported back in to Oklahoma for use by your customer, Oklahoma sales tax will not be due, regardless of who arranged for the third party shipping.

This response applies only to the circumstances discussed in your e-mail request of July 21, 2008. 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,

Marc Morrison

Oklahoma Tax Commission
Marc Morrison
Tax Policy & Research Division

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

July 10, 2008

Re: LR-08-081
Sales Tax

Dear

You have requested a written statement to your inquiry regarding a pending sale.

Facts:

You are located in Texas and are purchasing a piece of equipment that is stored in Oklahoma from a company located in Texas and you are planning on reselling the equipment to a customer in Louisiana who has a nexus with the state of Oklahoma.

Question:

Is Oklahoma sales tax due for these transactions?

Our response:

No, the sales are not subject to Oklahoma sales tax since this will be a sale for resale so long as you present the vendor with the proper information required as set forth in Oklahoma Tax Commission rule 710:65-13-200 and if the sale conforms to rule 710:65-15-1. Even though your customer has a nexus with Oklahoma, you are planning on reselling the item in another state and it may be subject to that state's sales tax, even though the item(s) originated from a warehouse in Oklahoma. In order for the transaction to be subject to Oklahoma sales tax towards your customer, your customer would have to purchase the property from you inside Oklahoma with the intention of using it outside Oklahoma, but brought it back inside Oklahoma for his use.

This response applies only to the circumstances discussed in e-mail request of July 03, 2008. 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
Marc Morrison
Tax Policy & Research Division