OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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March 12, 2009

RE: LR-09-002
Sales and Use Tax Inquiry

Dear

I am writing this letter in response to your written request to determine the applicability of your client's products and services to Oklahoma Sales and Use tax.

Facts:

Your client sells tracking microchips, identification tags, scanners and provides notification and recovery services for pet owners.

Question #1:

Are the sales of the tracking microchips subject to sales tax?

Our response:

Yes, pursuant to Oklahoma Tax Commission Rules **710:65-1-2 and 710:65-1-9 (copies have been enclosed for your convenience).**

Question #2:

Are the sales of scanners subject to Oklahoma Sales and Use Tax?

Our response:

Yes, please refer to question #1.

Question #3:

Are the sales of collar tags subject to Oklahoma Sales and Use Tax?

Our Response:

Yes, please refer to question #1.

Question #4:

Is the fee that our client charges for limited pet recovery services subject to Oklahoma Sales and Use Taxes?

Our Response:

No, so long as the sale of the service is separate from any other sale and separately itemized; see previous enclosed rules.

Question #5:

Is the fee for full proactive pet recovery services subject to Oklahoma Sales and Use taxes?

Our Response:

See previous response.

Question #6:

Are microchips given away for free subject to Oklahoma Sales and Use Tax?

Our Response:

Yes, these transactions would be considered a withdrawal of inventory. See previous enclosed rules.

Question #7:

Is the lump sum fee for the sale of pet recover services along with a microchip subject to Oklahoma Sales and Use Tax?

Our Response:

Yes, see previous enclosed rules.

Question #8:

Is the lump sum fee for microchip, implantation, and pet recover services subject to Oklahoma Sales and Use Tax?

Our Response:

Yes, see previous enclosed rules.

This response applies only to the circumstances discussed in your written request of November 12, 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 Analyst
Tax Policy & Research Division