OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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March 17, 2009

Re: LR-09-019, Sales Tax Inquiry

Dear :

This is in response to your request for a reply wherein you asked if your client has to collect and remit sales tax the state of Oklahoma. What follows is verbatim your facts and requested ruling and our response thereto.

Facts:

I have a client that is a corporation. They sell via the internet. The physical location of their product will soon be in Oklahoma (for warehousing only-their only office is in). At that time, when they sell product over the internet to a resident of Oklahoma, does my client have to collect sales tax and remit to the state of Oklahoma?

Our Response:

Yes. Generally, sales tax is due on the transfer of either title to or possession of tangible personal property if the transfer occurs in the State of Oklahoma. Use tax is due on the purchase of tangible personal property that is shipped into Oklahoma by common carrier where the transfer of title or possession occurs outside the state of Oklahoma. Out-of-state purchases of inventory for resale are exempt from use tax when purchased by a holder of an Oklahoma sales tax permit. See Oklahoma Tax Commission Rules 710:65-15-1 and 710:65-21-3 through 6 and also a business registration packet on our website: www.oktax.state.ok.us.

This response applies only to the circumstances discussed in your request of February 10, 2009. 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

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst