

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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



April 21, 2009

Re: LR-09-043, Sales Tax Inquiry on Alterations

Dear

This is in response to your request for verification if the alterations your company charges its customers are subject to sales tax. What follows is verbatim your facts and question and our response thereto.

“After reviewing Oklahoma Tax Commission Rule 710:65-19-48 I submitted a question by email to verify if the alterations we charge our customers for are subject to sales tax. The response I received was to review that same rule so I am submitting a question in writing to be sure how the rule applies to our specific situation.

is a bridal gown and accessories retailer. We carry floor samples of bridal, bridesmaid, mother of the bride, flower girl, and special occasion dresses. A customer places an order at the store and the specific style color and size is shipped into the store for the customer.

If alterations are required the fee for this is charged separate. We do not perform the alterations on site. We have an outside contractor come in to the store, fit the customer in the dress and take the dress out of the store where alterations are performed. The contractor then brings the dress back to the store and has the customer try on the dress again to ensure the alterations are satisfactory. We pay the contractor and pass the fees along to the customer.

At times, it may be necessary to use material, lining or trim may in the alteration but this is not listed or charged separately. Although this is not the norm with our alterations this is our concern with the interpretation of the rule regarding alterations. We are not informed when the contractor needs to use any extra materials but it could happen from time to time.

So we need to know if we should charge sales tax on the alteration fees we charge our customers.”

2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION

Our Response: It is our determination that the alteration charge falls within category (b) of the above rule since you hire a contractor to do the alterations. Therefore, the alteration fees are not subject to tax if they are separately stated on your company's sales invoices as described in your letter.

This response applies only to the circumstances discussed in your request of March 27, 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

A handwritten signature in cursive script that reads "Brenda J. Sullivan".

Brenda J. Sullivan
Tax Policy Analyst