

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
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April 05, 2010

RE: Sales Tax Inquiry; Our File No. LR-09-212

Dear [REDACTED]

I am writing in response to the request regarding the taxability of your new products under your [REDACTED] product line.

Facts

[REDACTED] sells nutritional, dietary, and skin care products through a multi-level network of independent distributor. [REDACTED] is considered an "MLM" or multi-level marketer such as [REDACTED]. Our physical location is in [REDACTED] Missouri. [REDACTED] charges sales tax based upon the address to which we ship and based upon suggested retail price, with on minor exception. Orders which have been certified for personal usage by our distributors and are less than \$5000 retail value are taxed based upon wholesale pricing. [REDACTED] files on consolidated state sales/excise tax return in lieu of each independent distributor filing a separate return with your state.

Question

We are launching 3 new products in February 2010. The new products are under our "Relivables" product line and include soy nuts and 2 flavors of granola snack bars. I am requesting a formal ruling on the taxability of these new products. I have included copies of the product labels to assist in the rulings.

Response

The items—soy nuts and the 2 flavors of granola snack bars—included in your new product line are subject to Oklahoma Sales and Use Tax pursuant to Title 68 O.S. §§ 1354 and 1402, respectively.

This response applies only to the circumstances discussed in your written request of December 17, 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 "Marc Morrison". The signature is written in dark ink and is positioned above the printed name.

Marc Morrison
Tax Policy Analyst