OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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July 11, 2011

Re: LR-10-010; Sales Tax Inquiry

Dear

I am writing this letter in response to your request for verification that the purchase of sod and the installation thereof is not subject to sales tax in Oklahoma.

The sale of sod is subject to Oklahoma Sales and Use Tax. However, sod producers who hold an Oklahoma agricultural exemption permit may sell sod at or from the producer's agricultural property to the consumer or user exempt from sales tax. 68 O.S. § 1358(A) and OAC 710:65-13-19. The referenced exemption includes transactions where the sod is sold and shipped directly to the consumer or user. Also, installation charges itemized separately from the charges for the sod are not subject to Oklahoma sales tax. OAC 710:65-19-159.

Copies of the reference statutory and administrative rule provisions are enclosed.

This response applies only to the circumstances discussed in your written request of January 06, 2010. Pursuant to Oklahoma Administrative Code 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