OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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June 15, 2010

RE: LR-10-012
Sales Tax Inquiry

Dear ,

I am writing this letter in response to your request regarding sales tax. Set forth verbatim are the facts presented along with the responses thereto.

Facts:

has several manufacturing facilities. Quite often these manufacturing facilities donate tangible personal property withdrawn from their inventor to charities. All of the products from the manufacturing facilities flow through , and is shipped to the charity. The flow of the products is as follows:

1. Manufacturing facility manufactures product (home improvement products, foam, roofing, siding, insulation, cultured stone, asphalt, etc.)
2. purchases the products for resale.
3. Product is removed from inventory and donated to various charities (both the manufacturing company and are subsidiaries of).
4. No compensation, advertisement, monetary valued, etc is given to any of the companies involved.

Your Question:

Is required to remit Use Tax when making donations to exempt entities?

Our Response:

Yes, Oklahoma Sales and Use Tax would be due on any donated items that were withdrawn from inventory and donated to a charity. The only exception can be found in

Title 68 1362 (D) (copy enclosed) in Oklahoma Statutes, which exempts such donated property for the purpose of assisting persons affected by the tornadoes that occurred on May 03,1999, or May 08, and 09 of 2003.

This response applies only to the circumstances discussed in your written request of October 02, 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,

Marc Morrison

Oklahoma Tax Commission
Marc Morrison
Tax Policy & Research Division