# OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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February 17, 2010

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Re: LR-010-028; Sales tax treatment of out-of-state merchandise shipped into Oklahoma

Dear

This is in response for a letter ruling to address the situation described in your correspondence. Set forth verbatim is the facts and issue presented in your correspondence of February 2, 2010 along with a response thereto.

> I am writing on behalf of our trade association regarding the out of state internet purchases of caskets and other funeral merchandise by Oklahoma citizens for use at the funeral of their deceased family member.
>
> While Oklahoma funeral homes charge sales tax for merchandise sold to consumers, we recently had a question arise about whether sales tax is charged for a casket or funeral merchandise which is purchased by a consumer(s) online, typically using a personal credit card to pay for that purchase at the time the order is placed. An example of such website availability would be
>
> In most instances, out of state merchandise purchases are initiated by consumers before the Oklahoma funeral director has had a chance to meet with the family to discuss their funeral desires. Although the casket or funeral merchandise has been requested to be shipped to an Oklahoma funeral home for inclusion of the remains or cremains of their loved one, most of the time this has been done without any knowledge of the funeral home and according to the Federal Trade Commission, the funeral home is not allowed to refuse to accept shipment of such merchandise.
>
> The basis for this letter is to ask for a letter ruling to address this situation so that an Oklahoma licensed funeral establishment or their licensed employees are not being required by your agency to be responsible for tax collection that they have had no involvement about the decision to purchase such merchandise by a family member.

**RESPONSE**

Under the circumstances described above, when a funeral home client purchases merchandise from an out-of-state vendor, via the internet, to be delivered to a Funeral Home in Oklahoma, the customer is the one responsible to pay the applicable sales or use tax to the out-of-state vendor.

This response applies only to the circumstances discussed in your request of February 2, 2010. Pursuant to Oklahoma Administrative Code 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
Tax Policy Analyst