OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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October 28, 2010

Re: LR-10-129; Sales Tax Inquiry

Dear

This is in response to your request regarding the application of Oklahoma sales to certain router sales. Set forth the facts presented along with the question posed and response thereto.

Facts:

One of our customers, has been putting in stores all over the U.S. We have bought, configured, and sold them routers for each store they put in. We have not been charging them sales taxes as they were not in Oklahoma. They just put in a store at Each of these stores is a franchise and not "a company" store. We will charge this store in Oklahoma sales tax.

Question:

Do we need to charge sales tax for any new stores whether in OK or not?

Response:

The location where a sale is sourced determines the taxes that are to be charged. Retail sales are sourced in accordance with 68 O.S. § 1354.27 to the location where the purchaser or the purchaser's donee receives the product. Oklahoma Administrative Code 710:65-18-2 provides that "receive" and "receipt" does not include possession by a shipping company on behalf of the purchaser. State and any applicable local sales tax should be collected, reported and remitted to the Tax Commission on all sales sourced to Oklahoma. Copies of the referenced statutory and administrative rule provisions are attached.

This response applies only to the circumstances discussed in your written request of August 23, 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

Marc Morrison
Tax Policy Analyst