OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

December 28, 2010

Re: LR-10-159 (Sales and Mixed Beverage Tax Inquiry)

Dear

I am writing this response in regards to your request regarding the amount of sales tax that you were charged on your beer purchases.

Foreign and domestic beers are not taxed differently. However, beer that has an alcoholic content of less than or equal to 3.2% can be taxed differently than that of beer that has an alcoholic content greater than 3.2%. Pursuant to 37 O.S. § 576 and OAC 710:20-5-1, in addition to state, city, and county sales tax, a mixed beverage tax rate of thirteen and one half percent (13.5%)[1] is levied upon the sale of any alcoholic beverage that is sold and served to a customer for on premise consumption. However, the levy does not include low point beer that has an alcoholic content of less than or equal to three point two percent (3.2%).

Based upon the facts presented, I am unable to give you a definitive response regarding the proper amount of tax that should have been charged without more information regarding the alcoholic content of the beer that was purchased.

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

This response applies only to the circumstances discussed in your written request of October 22, 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

[1] Revenues generated from the mixed beverage tax levy is placed into the General Revenue Fund of the State of Oklahoma pursuant to 37 O.S. 576.1 of Oklahoma Statutes.