# OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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January 04, 2011

RE: Sales Tax Inquiry; Our File No. LR-10-167

Dear

I am writing in response to the request regarding the taxability of your new product, set forth verbatim are the facts presented along with the responses thereto.

Facts:

sells nutritional, dietary, and skin care products though a multi-level network of independent distributor. is considered an "MLM" or mulit-level marketer such as Our physical location is in . charges sales tax based upon the address to which we ship and based upon suggested retail price, with on minor exception. Orders which have been certified for personal usage by our distributors and are less that $500 retail values are taxed based upon wholesale price. files one consolidated state sales/excise tax return in lieu of each independent distributor filing a separate return with your state.

Question:

We are launching a new product in February 2011. The new product is a" mental clarity" dietary supplement in liquid form. I am requesting a formal ruling on the taxability of this new product. I have included a copy of the product label to assist in the ruling.

Response:

Based upon the information that you have provided, your new product is subject to Oklahoma Sales and Use Tax pursuant to Title 68 O.S. §§ 1354 and 1402, respectively. as a multi-level company, is required to report and remit sales tax as outlined in Oklahoma Administrative Code 710:65-19-214, a copy of which is enclosed. Therefore, is to charge sales tax on the retail value of the products sold without regard to distributor usage or the order's retail value.

This response applies only to the circumstances discussed in your written request of December 15, 2010. 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,

OKLAHOMA TAX COMMISSION

Marc Morrison
Tax Policy Analyst