OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

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June 13, 2011

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RE: LR-11-010 (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 question posed and the response thereto.

Question:

Per Oklahoma Administrative Code 710:65-19-70 separately stated delivery charges are nontaxable if the delivery charge represents the cost of transporting the items sold from the vendor to the consumer. In the case where the delivery charge exceeds the cost of transportation, does the entire delivery charge become taxable?

Response:

Based upon the information provided, the Tax Policy Division is unable to provide a definitive answer regarding the appropriate sales and use tax treatment of the delivery charges mentioned set forth in your correspondence of December 13, 2010 without more information regarding the transaction. However, as discussed in OAC 710:65-19-70, separately stated delivery charges are nontaxable so long as they represent the cost of transporting the items sold from the vendor to the consumer and not the shipping, freight, or delivery charges paid by a seller in acquiring property for sale.

Upon receipt of the additional information we will again review your request and be able to make a more informed determination of the status of the transaction presented.

This response applies only to the circumstances discussed in your written request of December 13, 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