# OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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April 21, 2011

Re: LR-11-044, Sales Tax Inquiry

Dear

Please be advised that diabetic and cholesterol tests administered by pharmacists are not services upon which a sales tax is levied. However, purchases of diabetic and cholesterol supplies by Walgreens which are used to perform these tests are subject to sales/use tax. If the testing supplies are purchased tax exempt, sales tax is due on the sales value[1] of these items at the time they are withdrawn by for its own use or consumption. 68 O.S. § 1362(D).

Copies of the referenced statutory and administrative code provisions are enclosed.

This response applies only to the circumstances discussed in your request of March 30, 2011. 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

Brenda J. Sullivan
Tax Policy Analyst

[1] Sales value is defined in Oklahoma Administrative Code 710:65-1-2 subsection (E) to mean the larger of either the vendor's cost at the time the exempt purchase of goods was made, or the price at which it would be sold to the vendor's best customer in the ordinary course of business.