OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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August 24, 2011

RE: LR-11-098 (Sales and Use Tax Inquiry)

Dear

I am writing in response to your sales and use tax inquiry. Set forth below are the facts presented along with the response thereto.

Facts:

I work for which provides sales and use tax software to taxpayers. Our tax software brand is . Within this software we maintain sales and use rates across the United States and Canada and generate tax forms for filing with jurisdictions in these areas.

The reason for this letter is in response to a question posed by one of our clients. has a sales and use tax rate of 0.667% per the state web site. Our software maintains sales and use rates to four places after the decimal for other jurisdictions around the United States where it is necessary. Therefore the software must report the rate as either 0.6670% or 0.6667%. I called the support group for the state and was informed the rate would be 0.6670% if carried out to another decimal place but they would not send me an e-mail with a copy of the ordinance or a simple statement I could use file for future reference. Instead they informed me I could fax a question to this department to get an official response.

I actually was expecting the response to be 0.667% representing language in the ordinance to be 2/3 of 1% not a flat 0.667%. Regardless I would like to get confirmation in writing as to the correct rate.

Response:

In accordance with Section 1362(B) of Title 68 of the Oklahoma Statutes the amount of tax to be collected by a vendor must be carried to the third decimal place and rounded to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four. The resulting sales and use tax rate of 0.667 for levy of 2/3 of 1% is carried to the third decimal place and rounded consistent with the provisions of Section 1362(B) of Title 68. Therefore, sales and use[1] tax rate when carried to the fourth decimal place is properly 0.6670.

A copy of the referenced statutory provision is enclosed.

This response applies only to the circumstances discussed in your written request of August 12, 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

Marc Morrison
Tax Policy Analyst

[1] The 2/3 of 1 percent use tax rate for Kay County is effective on October 01, 2011.