OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

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June 1, 2012

RE: LR-12-014

Dear

This is response to your inquiry relating to the sales/use tax treatment of directory printing. It is my understanding based on the facts presented in your correspondence of February 2, 2012 and the information relayed in our telephone conversation that:

is in the business of publishing and distributing local telephone directories for various communities across the U.S. directories contain both white and yellow pages. The company's headquarters and management are located in derives revenue from the sale of advertising, which appears in the yellow pages of the directories that it publishes annually. The white pages portion of the directory is not provided on behalf of a telecommunications service provider. directories are printed by an unrelated company and directories are typically given free of charge to each business and resident within the area covered by the directory. has recently been charged sales tax on the cost of printing telephone directories which has not happened in the past. printer, , is refusing to remove the sales tax despite supporting documents. is remitting sales tax on the advertising under permit number

Response

The Oklahoma Sales Tax Code levies tax on sales of tangible personal property and other transactions which include sales of yellow pages advertising. 68 O.S. § 1354(A)(1) & (11). Vendors who are making taxable sales in this State on a regular basis are required to hold an Oklahoma sales tax permit[1] and collect, report, and remit state and any applicable local sales

[1] 68 O.S. §§ 1363 and 1364

tax on their sales in Oklahoma. Vendors who hold a valid Oklahoma sales tax permit may purchase, exempt from sales tax, items, component parts of, or material used to produce items to be resold to their customers. 68 O.S. § 1357(3).

makes Oklahoma sales of advertising which are to be published in a directory along with residential white pages for distribution in certain areas of the state. collects and remits state and any applicable local sales tax on such sales and remits same to the Oklahoma Tax Commission pursuant to its sales tax permit. Therefore, may properly claim a resale exemption on its purchases of directory printing and as such sales/use tax is not due thereon.

This response applies only to the circumstances discussed in your written request of February 2, 2012. 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

Christy J. Caesar

Christy J. Caesar
Tax Policy Analyst