OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

October 3, 2012

RE: LR-12-020 (Sales Tax Inquiry)

Dear

I am writing this letter in response to your request regarding the sourcing of Oklahoma sales taxes. Set forth verbatim are the facts presented along with the response thereto.

Facts:

We are experiencing a situation wherein a vendor has charged us sales tax on items purchased in two different ways and need a clarification from you as to which is correct.

The situation is that we have our own fleet of trucks that we use to pick up materials and we have "hired" trucks that we use to pick up materials. Our vendor has been charging us sales tax based on the material being picked up (received) at their location when we use our own trucks, but they are charging us sales tax based on the jobsite address where the material is picked up (received) in one of the "hired" trucks.

It is my contention that whether we pick up the materials in our truck or the hired truck we sent to get it we still have received the material as defined in OTC rule 710:65-18-1(1) and should be taxed in both instances at the sellers location.

Response:

Based upon the facts presented regarding the nature of the trucks hired to pick up materials, I am unable to provide you with a definitive response. However, the location where a sale is sourced determines the taxes that are to be charged. Retail sales are sourced in accordance with 68 O.S. § 1354.27 to the location where the purchaser or the purchaser's donee receives the product.

Oklahoma Administrative Code 710:65-18-2, provides that "receive" and "receipt" does not include possession by a shipping company on behalf of the purchaser.

This response applies only to the circumstances discussed in your written request of February 23, 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

Marc Morrison
Tax Policy Analyst