OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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

April 8, 2013

Re: LR-12-059;

Dear

This is in response to your inquiry regarding the sales/use tax treatment of supplements provided to clients by Naturopath doctors.

The sale of tangible personal property in Oklahoma, unless specifically exempted by the provisions of the Oklahoma Sales Tax Code, is subject to the levy of sales tax.[1] The sales tax exemption found at 68 O.S. Supp. 2007, § 1357(37) and OAC 710:65-19-45 only exempts "sales of vitamins, minerals and dietary supplements by a licensed chiropractor to a person who is the patient of such chiropractor at the physical location where the chiropractor provides chiropractic care or services to such patient."

If you intend to furnish supplements to your clients as part of the naturopathic services rendered you should charge clients a single price for the service and supplements and pay sales or use tax to the supplement vendor/supplier. In the event you purchase supplements from an out-of-state vendor that is not required to collect Oklahoma sales or use tax, you must accrue Oklahoma state and any applicable local use tax on the items purchased[2] and report same on Line 1 of the Consumer Use Tax Report Form SCU 20004 pursuant to an Oklahoma consumer use tax account.

However, if you intend to sell supplements separate from the provision of naturopathic services you must have a sales tax permit. The sales tax permit would allow you to purchase supplements for resale exempt from sales and use tax.[3] In turn, you would be required to collect and remit sales tax on sales of supplements made to your clients in Oklahoma.

To register for a sales tax permit or consumer use tax account, a completed Business Registration Packet (Packet A) available online at www.tax.ok.gov should be submitted, to the Taxpayer

[1] 68 O.S. 2011 § 1354 (A)(1).
[2] 68 O.S. 2011 § 1402.
[3] 68 O.S. 2011, § 1357(3).

Assistance Division, Oklahoma Tax Commission, P.O. Box 26920, Oklahoma City, OK 73126-0920.

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

This response applies only to the circumstances discussed in your request of February 8, 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

Brenda J. Sullivan
Tax Policy Analyst