OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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July 3, 2014

[redacted]

Re: LR-14-016; Tobacco Products Tax

Dear [redacted]

This is in response to your request for a determination of the tax due on certain smokeless tobacco products pursuant to 68 O.S. §§ 402(5), 402-1(d), 402-3(A)(4). Set forth below are the facts presented along with your question posed and our response thereto.

FACTS

As an Oklahoma licensed out-of-state wholesaler of tobacco products, [redacted] at times may purchase smokeless tobacco products from vendors other than the manufacturer or "factory." These purchases often can vary from the factory price and may very well be at a price less than the "factory list price" or at times higher.

QUESTION

When a wholesaler purchases smokeless tobacco products from a vendor that is not the manufacturer or "factory," is the tax assessed as a percentage of the "factory list price" or on a varying price at which the wholesaler may purchase the product from another supplier?

RESPONSE

Under the circumstances when a wholesaler purchases smokeless tobacco products from a vendor that is not the manufacturer, tax is assessed at sixty percent (60%) of the Factory List Price exclusive of any trade discount, special discount or deals. 68 O.S. §§ 402(5), 402-1(d) and 402-3(A)(4).

This response applies only to the circumstances discussed in your request of August 29, 2013. 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