August 8, 2014

[redacted]

Re: LR-14-049

Dear [redacted]

This is in response to your inquiry regarding Oklahoma sales tax. Set forth below are the facts outlined in your correspondence of July 2, 2014 and our response thereto.

Facts

> We are a manufactured home dealer normally selling homes under excise tax rules. When we sell a modular home we have been collecting sales tax at the rates for Oklahoma County and [redacted] (the location of our sale center). A potential customer has insisted that her modular home tax should be only the State tax and only the tax at a rate for Payne Co. since she is in an unincorporated area.

Response

Please be advised that 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(A) 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.

Enclosed are copies of the statutory and administrative rule provisions pertaining to the sourcing of retail sales.

Sincerely,

OKLAHOMA TAX COMMISSION

Christy J. Caesar

Christy J. Caesar
Tax Policy Analyst