OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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June 26, 2015

RE: LR-15-014 (Sales tax inquiry)

Dear

This letter is in response to your request regarding Oklahoma sales tax. Set forth verbatim are the facts presented along with the response thereto.

Facts:

is a wholesaler of electrical and Datacom components with a business presence in Oklahoma. Recently, we made multiple sales to our customer, Company O and Company F (Company O and Company F are operated as dba of Company A) which operate out of OR, where the bill-to address is located. The sales invoices had the ship-to address to OK. Based on this information, we charged Oklahoma sales tax on invoices.

The customer, Company O, requested an Oklahoma tax refund by producing a Bill of Lading (Bol), which we could not tie to the description on the invoices. The Bol has the ship-to address of a freight forwarder, S Corp located in Maryland, as agent of C Corp. C Corp is the contractor for the government where the project will be installed in Mali, and where our products will be installed by a sub-contractor, Company F, in Mali.

Our products are shipped to OK where this location is the government approved Controlled Receiving Point (CPR). The products will be packed and crated to be shipped via freight forwarder, S Corp, to the final destination in Mali where Company F, as the subcontractor of C Corp, will do the installation.

The Bol given to us shows the shipment of several containers of merchandise to Mali, with the description of office supplies and tools. Based on this description, we requested some clarifications of the contents of the shipment to Mali. The customer said due to "a security standpoint, goods that are shipped are often described as such that will not raise suspicion or

interest from individuals looking for and avenue to gain access to material being permanently installed in a building or location". We were informed that the project is a special secure government contract and neither our customer, Company O, nor Company F, can provide details of the government contract.

Since cannot obtain any documentation, except for the Bol provided by the customer, cannot explain the exempt status of the products sold and shipped to Company O to OK. Can this Bol serve as a proper documentation to exempt sales tax in Oklahoma based on Oklahoma tax laws?

Response.

Based on the facts presented above, the bill of lading provided by Company O is not sufficient to demonstrate that the described sales transaction is exempt from Oklahoma sales tax. OAC 710:65-13-90. Neither does it constitute acceptable documentation to relieve as vendor, of the sales tax liability or the duty to collect the sales tax imposed by Section 1361 of Title 68. OAC 710:65-7-8.1.

This response applies only to the circumstances discussed in your written request of April 06, 2015. 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

Marc Morrison
Tax Policy Analyst