OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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June 20, 2016

RE: LR-16-021 (Sales Tax Inquiry)

Dear

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

Facts:

I am a federal firearms dealer. I have customers that receive firearms from out of state and need a background check before they can take legal possession of the firearm. I am not involved in the reason for the firearm being brought into the state. They for whatever reason have already taken ownership of the firearm before I receive it. I am just providing a service to the customer so they can take possession of the firearm legally under federal law. I would like to provide this service for a small fee to cover the cost for the time and paper work to facilitate this service. My question is this a taxable service of any kind?

Response:

In Oklahoma, sales tax is levied on the gross receipts from the sale of tangible personal property, certain services and other transactions as specified in Section 1354 of Title 68 of the Oklahoma Sales Tax Code. The fee charged for the background service described above does not fall within the enumerated transactions subject to sales tax.

This response applies only to the circumstances discussed in your written request of May 25, 2016. 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