

Frequently Asked Questions

What was the U.S. Supreme Court decision in South Dakota v. Wayfair?

On June 21, 2018, the United State Supreme Court ruled in South Dakota v. Wayfair that sellers can be required to collect sales and use taxes in states where the sellers do not have physical presence, overruling the 1992 U.S. Supreme Court case of Quill v. North Dakota.

What is the impact of the Wayfair decision on sales into Oklahoma?

Oklahoma law requires remote sellers to collect Oklahoma sales and use tax on their sales into the state. See [68 O.S. § 1392](#) and [SB 513](#).

Did the Wayfair decision change the registration requirement of a seller with physical presence in Oklahoma?

No, the obligations for a seller that has a physical presence in a state to register to collect and remit sales and use tax did not change under the Wayfair decision.

What effect does the Wayfair decision have on Oklahoma purchasers?

Oklahoma purchasers may see an increased number of remote sellers charging sales tax. If a remote seller does not charge tax on a taxable item in Oklahoma, the purchaser must report use tax on the purchase price. An individual may report the use tax on the [Oklahoma Consumer Use Tax Return](#) or the [Oklahoma individual income tax return](#).

Who is a remote seller?

A remote seller is generally a seller that does not have a physical presence in Oklahoma but who sells taxable products or services for delivery into this state.

I am a remote seller, what should I do?

A remote seller who is not already registered in Oklahoma must file an election with the Oklahoma Tax Commission to either collect and remit the tax, or to comply with statutory notice and reporting requirements, unless the seller qualifies for the small seller exception.

Beginning November 1, 2019, remote sellers will no longer have the option to comply with the statutory notice and reporting requirements; remote sellers who exceed the small seller exception threshold will be required to collect and remit the tax.

What is the small seller exception?

Oklahoma has a small seller exception, which exempts a remote seller from reporting or remitting taxes for sales into Oklahoma. The exception applies to remote sellers that had aggregate sales of tangible personal property delivered to locations within this state subject to sales or use tax worth less than \$10,000 during the previous 12 month period.

Beginning November 1, 2019, the small seller exception threshold increases to \$100,000.

The small seller exception does not apply to sellers who have a physical presence in Oklahoma.

I am a remote seller and only sell through a marketplace. Do I need to collect tax?

If you only make taxable sales into Oklahoma through a marketplace and the marketplace facilitator or referrer is collecting and remitting Oklahoma sales/use tax on your behalf, then you do not need to register and collect Oklahoma sales/use tax.

If the marketplace facilitator or referrer is not collecting Oklahoma sales/use tax on your behalf, you must collect Oklahoma sales/use tax on your taxable sales unless you meet the small seller exception.

I am a remote seller and sell through a marketplace, my own website and through other sources; what are my tax responsibilities?

You are required to collect and remit sales or use tax on your taxable sales through your website and other sources. If all taxable sales into Oklahoma combined from all sources exceed the small seller exception, then sales or use tax must be collected and remitted to Oklahoma. If a marketplace facilitator is collecting Oklahoma tax on your behalf, the marketplace facilitator sales are not included in your threshold calculation. If the marketplace is not collecting Oklahoma tax on your behalf, the marketplace facilitator sales are included in your threshold calculation, and you must collect Oklahoma sales or use tax on your taxable sales made through the marketplace.

I am an Oklahoma business and I make sales remotely to other states. Do I need to register for a permit in other states?

Review each [state's remote seller threshold](#) chart and check with each state to determine if you are required to register in that state.

Are items taxable in Oklahoma taxable in every state?

No. Sales tax laws vary from state to state. If you have questions on what items are taxable in other states, [contact that state directly](#).

Streamlined Sales Tax states have uniform product definitions, but they may tax those products differently. For more information, see [Taxability Matrices on the Streamlined Sales Tax website](#).

If I register through Streamlined Sales Tax, what are the benefits to my business?

- Free SST registration in 24 states
- Single identification number to file and pay taxes in registered states
- Uniform filing forms and exemption certificates
- Access to boundary and rules data
- Centralized source of updates and information regarding sales tax rules and regulations
- Integration with today's most widely used ERP, accounting, and ecommerce applications
- Free certified sales tax calculation software, free preparation and filing of sales and use tax returns, and free audit support for "volunteer sellers" as defined [section D.2.\(b\) of the Certified Service Provider \(CSP\) contract](#).

You can register in all Streamlined States or just the states you select by completing a single application: [Streamlined Sales Tax Registration System](#).

What is a Certified Service Provider?

A Certified Service Provider is an agent certified under the Streamlined Sales and Use Tax Agreement to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases. A Certified Service Provider is designed to allow a business to outsource most of its sales tax administration responsibilities. Certified Service Provider services are provided free to sellers in the Streamlined Member states in which the seller is a "volunteer seller," as defined in [section D.2.\(b\) of the Certified Service Provider \(CSP\) contract](#).

Certified Service Provider benefits

- The Certified Service Provider software works with your accounting system to identify which products and services are taxable, apply the appropriate tax rate, and record the transaction.
- The Certified Service Provider sets up their software with your system, prepares and files returns, and remits tax to each member state.
- The Certified Service Provider resolves any notices or audits by member states.
- Streamlined Sales Tax member states certify the accuracy of the Certified Service Provider software and provide liability relief for incorrect tax calculation based on the certification. Free monthly return processing in states where you are a volunteer seller. If you have physical nexus in a member state, a small fee may apply to file those returns.

[List of Certified Service Providers](#)

Note: Some Certified Service Providers also provide services in non-Streamlined states. Check their websites for more information.

How do I file and pay my sales and use tax if I register through the Streamlined Sales Tax Registration System?

You must file returns and make payments directly to each state; you will not file returns or make payments to Streamlined Sales Tax. Each state will send you registration information and filing instructions.

Note: If you use a Certified Service Provider, they will file monthly returns and remit taxes to each state for you. If you have questions on filing or paying the taxes, contact your Certified Service Provider.

How do I register for states that are not Streamlined Sales Tax members?

You need to register for each non-member state individually. For more information, contact each non-member state directly. If you use a Certified Service Provider, they may register you in non-member states.

How do I know what sales/use tax rate to charge?

Oklahoma's state sales and use tax rate is 4.5%. Local taxes may also apply. Local taxes apply to the same taxable items and services as the Oklahoma state sales tax rate.

Who is required to collect local sales and use taxes?

All sellers, regardless of the seller's location, are required to collect local sales and use taxes based on where their customer receives the taxable product or service.

What local taxes do I need to collect?

Local taxes you need to collect will depend on where your customer receives your product or service and if that location has a local tax. For details and to see the tools we provide to determine your total tax rate, go to

https://www.ok.gov/tax/Online_Services/Online_Filing_-_Individuals/Sales_&_Use_Rate_Locator/ .

Do I need to apply for a permit each year?

No. Once you receive an Oklahoma Sales or Use Tax Permit it is active for three (3) years from the date of issuance unless the Oklahoma Tax Commission revokes the permit for noncompliance.

Are remote sellers subject to audits by the Commission?

If you contract with a Certified Service Provider, the states will generally contact the Certified Service Provider for any audits or questions concerning your returns and tax payments. If additional documentation is required, the Certified Service Provider will contact you for that documentation.