

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063



December 28, 2007

Re: Packaging and Handling Charges, Our File No. LR-07-238

Dear

I am writing in response to your inquiry regarding whether separately stated charges for packaging and handling are subject to sales tax in Oklahoma. Delivery charges which are separately stated on the bill or invoice are not included in gross receipts for sales tax calculation purposes. Oklahoma Administrative Code 710:65-1-9. Delivery charges are defined as "charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing." Based on the foregoing separately stated packaging and handling charges are not subject to sales tax in Oklahoma. OAC 710:65-1-2.

Copies of the referenced administrative code provisions are attached.

This response applies only to the circumstances discussed in your telephone request of December 27, 2007. Pursuant to Commission Rule 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

A handwritten signature in cursive script that reads "Christy J. Caesar".

Christy J. Caesar
Tax Policy Analyst