What sales are subject to Oklahoma sales tax?

Under Oklahoma law, sales tax must be collected on the sale of tangible personal property. "Tangible personal property" is that which can be seen, weighed, measured, felt or touched or that is in any other manner perceptible to the senses, including electricity, water, gas, steam and prewritten computer software for frequent or occasional sales. The basic rule to remember is that essentially all sales are subject to Oklahoma sales tax unless there is an exemption provided under Oklahoma law.

The University of Oklahoma is a tax-exempt state institution of higher education. I thought sales made by the University are tax-exempt and NOT subject to sales tax?

No. Although the University is a tax-exempt state institution, this does not mean the University is exempt from charging, collecting and remitting Oklahoma sales tax. The basic law is that all sales of tangible personal property are subject to Oklahoma sales tax.

Our Department does sell some items to outside parties such as students, faculty/staff, general public or outside organizations. Is this permissible? Do I need to charge and collect sales tax on these sales?

According to State law, sales to students, faculty/staff, the general public, or outside organizations are subject to sales tax unless a specific exemption exists in the State statutes. From a sales tax standpoint, if you are selling tangible personal property on an ongoing regular basis, you should have a sales tax permit authorizing you to engage in sales transactions. Note that if you are engaging in the recurring sale of goods or services, such revenue activity may be considered an unrelated business activity and subject to federal and state income tax as well as sales tax. For more information about unrelated business income activities, please contact Sara Mercer in Financial Support Services.

Please note that only certain types of departments may engage in the sale of goods or services. For more information on University department restrictions, please contact Karen Cagley in Financial Support Services.

Do I really need a sales tax permit?

A sales tax permit is needed if you are selling tangible personal property on an ongoing basis. All consideration received for the sale is included in gross receipts subject to tax. No permit is issued or required for occasional sales, file a report only when sales are made. Indicate on the Sales Tax Report it is a “casual” sale.
How do I obtain a sales tax permit?

A sales tax permit may be obtained by completing an Application for Sales Tax Permit (Packet A) and submitting it to the Oklahoma Tax Commission. Packet A is available at the OTC website. The link is [www.tax.ok.gov/oktax/forms/busregpk.pdf](http://www.tax.ok.gov/oktax/forms/busregpk.pdf). If you have questions regarding the application form, please contact Stacy Thompson in Financial Support Services. Her contact information is provided in the last question below.

When and how do I report and pay sales tax?

For most sales tax permit holders, the sales tax from sales made within the state from the first day of the month through the last day of the month must be remitted to the Oklahoma Tax Commission on or before the twentieth day of the month following the month in which the sale was made.

Oklahoma sales tax law authorizes semi-annual filing when the tax remitted by the vendor does not exceed $50 a month. Semi-annual sales tax reports are due by July 20th (for the period covering January through June) and January 20th (for the period covering July through December).

Sales tax permit holders whose returns average $2500 or more per month in sales tax liability (measured by the previous fiscal year) must participate in the Tax Commission electronic data interchange program (on line using the OTC's QuickTax electronic system). In such cases, estimated sales tax payments are required to be made during the month (by the 15th of the current month) for the current month and the actual sales tax liability and report filed with the OTC on or before the twentieth day of the following month. With respect to permit holders using the QuickTax System, the electronic payment is made using ACH Credit and is coordinated with Financial Support Services (Sara Mercer).

Where do I obtain the sales tax report form if I am filing a paper sales tax report?

The paper sales tax report may be obtained at the OTC website. It is Form 13-23. It can be found by clicking on the OTC's website at [www.tax.ok.gov](http://www.tax.ok.gov). From there, click on "forms and publications" in the left hand column, then click on "business tax forms." Scroll down to Form Number 13-23. There are instructions attached to the form to assist you in completing the report.
What is the sales tax rate to be charged?

The Oklahoma Tax Commission publishes a list of every sales tax rate and code for each city and county in the state. This list is available on the OTC’s website. The sales tax rate for Cleveland County/Norman is 8.75%.

If it appears my department does need to collect and remit Oklahoma sales tax, once we complete and submit the application for a sales tax permit, do I need to notify Financial Support Services once we receive the sales tax permit card from the OTC?

Yes, please call or email Sara Mercer in Financial Support Services and provide her with your OTC sales tax permit number so that she may add it to the list of sales tax permits issued for the University. Providing your permit number will also ensure you are added to the email distribution list for future sales tax communications that are sent only to sales tax permit holders on file with Financial Support Services. If you already have a sales tax permit, please contact Sara Mercer in Financial Support Services to confirm you are already on our University sales tax permit list.

What is the OTC's Internet address?

The Oklahoma Tax Commission website is www.tax.ok.gov. It can provide you with additional information regarding Oklahoma business taxes, which includes sales tax.

Who do I contact if I have questions or need assistance with sales tax at the University of Oklahoma?

Please contact Stacy Thompson or Judy Chapman in Financial Support Services at the University of Oklahoma. You can reach Financial Support Services by dialing 325-3021. If you have a question for the OTC, the sales tax assistance phone number is 521-3160.