

**Oklahoma's Response to
Business Advisory Council Compliance Subcommittee Report for Remaining States**

In response to the BAC Subcommittee Report, Oklahoma offers the following explanation regarding the relief provided to sellers. Oklahoma Statutes Sections 1361 and 1361.1 of Title 68 provide relief to sellers for failing to collect the correct amount of sales and use taxes. Oklahoma submits that the sections do not contradict but compliment each other.

Section 1361.1 was enacted in 1991 (before the adoption of the Streamlined Sales and Use Tax Agreement). Upon adoption of the Agreement, Oklahoma amended Section 1361 to comply with the Agreement provisions related to relief to sellers. The amendments expanded the provisions of Section 1361.1. The "good faith" requirement is embodied in the Agreement in Section 317 (B) wherein the seller is not relieved from liability is seller fraudulently fails to collect tax or solicits purchasers to participate in the unlawful claim of an exemption.

Section 1361 and Rule 710:65-7-21 (provided below) is evidence that Oklahoma provides the relief from liability to sellers as required under the Agreement.

710:65-7-21. Streamlined Sales and Use Tax Exemption Certificate

The Streamlined Sales and Use Tax Exemption Certificate, SSTGB Form F0003, is a multistate form which may be used to claim any sales or use tax exemption provided under Oklahoma law. When issuing this certificate, purchasers should use caution, since it contains various exemptions that are not applicable in Oklahoma and only apply in other states. Purchasers are responsible for knowing if they qualify for the exemption they are claiming in the state in which the exemption is being claimed. The purchaser will be held liable for any tax, interest, and penalties that result from the purchaser claiming an exemption for which they are not eligible.

The other rules provide alternative documentation to the SSTGB Form F0003 that sellers may submit for relief under the specific exemption claimed by the purchaser. SSTGB Form F0003 may be used to claim any Oklahoma sales or use tax exemption.