OKLAHOMA
Tax Commission

TAX POLICY DIVISION

November 9, 2026

Re: Marketplace Sales Act, LR-26-018

Dear

This letter is in response to your October 10, 2026, request for guidance regarding the applicability of the Marketplace Sales Act (68 O.S. §§ 1391-1397).

Facts as Presented

SELLER is a STATE A, single-member LLC registered and filing sales tax returns in STATE A. SELLER operates from a STATE A home and has no out-of-state employees, offices, sales representatives or trade-show activity. SELLER's only inventory outside STATE A is held by MARKETPLACE FACILITATOR A.

SELLER first placed inventory with MARKETPLACE FACILITATOR A on DATE. SELLER sells TANGIBLE PERSONAL PROPERTY through MARKETPLACE FACILITATOR A, MARKETPLACE FACILITATOR B and COMPANY B. MARKETPLACE FACILITATOR A handles sales tax on its marketplace sales. Customers pay for COMPANY B orders on COMPANY B's website, and the orders are imported into MARKETPLACE FACILITATOR B for processing. COMPANY B does not collect and remit the tax on SELLER's behalf.

Approximately 80% of SELLER's COMPANY B orders ship from STATE A and 20% use MARKETPLACE FACILITATOR A [redacted]. MARKETPLACE FACILITATOR A stock is available to fulfill both marketplace and direct orders.

MARKETPLACE FACILITATOR A determines the storage locations, movements between fulfillment centers and warehouses used for customer shipment, while SELLER requests [redacted] shipment to the customer. MARKETPLACE FACILITATOR A chooses the storage and fulfillment locations under the standard [redacted] arrangement; SELLER request delivery to the customer's address.

A direct MARKETPLACE FACILITATOR B order was fulfilled from MARKETPLACE FACILITATOR A's warehouse in Oklahoma on DATE, for delivery to a customer in STATE B. This confirms actual direct-order [redacted] from Oklahoma inventory, rather than merely having [redacted] enabled.

SELLER's reviewed Oklahoma sales are below $100,000, including MARKETPLACE FACILITATOR A marketplace sales.

SELLER enabled tax collection on their direct Oklahoma orders on DATE while completing the compliance review.

Applicable Law

Sales tax nexus refers to the connection a business has with a state that creates an obligation to collect and remit sales tax. Nexus can be established through either economic or physical presence in Oklahoma.

Under 68 O.S. § 1392(G), economic nexus is established when a remote seller has aggregate sales of products within Oklahoma or delivered to locations within Oklahoma subject to sales tax or use tax worth at least One Hundred Thousand Dollars ($100,000.00) during the preceding or current calendar year. When this threshold is met, the seller must collect and remit sales tax.

Physical presence in Oklahoma also triggers sales and use tax obligations. Businesses are required to register with the Oklahoma Tax Commission and charge, collect, and remit the appropriate tax when they have a physical presence in Oklahoma, such as a retail store, warehouse, or inventory. However, Oklahoma law provides an exception: if the seller's only physical presence in the state is inventory owned by that seller stored in a third party's warehouse over which the seller has no control, the seller does not have physical nexus in Oklahoma.

Questions and OTC Response

1. Whether requesting direct-order [redacted] fulfillment is considered as seller control of inventory movement, even when MARKETPLACE FACILITATOR A selects the warehouse and storage location.

Based on the facts presented in your request, SELLER does not have physical nexus in Oklahoma. SELLER's only physical presence in the state is inventory stored in third-party marketplace facilitator warehouses, over which SELLER has no control or management authority.

2. Whether a different degree of control changes the answer to question #1, please specify the relevant distinction so we can verify our fulfillment arrangement.

Yes. If SELLER has inventory in Oklahoma and controls the movement of that inventory, SELLER has physical nexus in Oklahoma.

3. In this shared [redacted] situation, must SELLER register and collect Oklahoma tax on its direct MARKETPLACE FACILITATOR B/COMPANY B sales while below the sales threshold?

No. Based on the facts presented in your request, SELLER has neither physical nexus nor economic nexus in Oklahoma, because SELLER's direct sales are below the $100,000 threshold. SELLER is therefore not required to register and collect Oklahoma sales and use tax.

4. If registration is required, please identify the governing rule and the event that establishes the registration/collection start date.

SELLER should monitor its total taxable sales and deliveries into Oklahoma on an ongoing basis. If taxable sales and deliveries into Oklahoma from all sources combined exceed $100,000 during the preceding or current calendar year, SELLER will be required to collect and remit sales

and use tax to Oklahoma. This duty begins on the first day of the calendar month following the month in which the threshold is met.

When calculating whether the threshold has been reached, SELLER should note the following:

- If a marketplace facilitator is collecting Oklahoma tax on SELLER's behalf, those marketplace facilitator sales are not included in SELLER's threshold calculation.
- If a marketplace facilitator is not collecting Oklahoma tax on SELLER's behalf, those sales are included in SELLER's threshold calculation, and SELLER must collect Oklahoma sales or use tax on its taxable sales made through that marketplace.

5. We enabled tax collection on our direct Oklahoma orders on DATE while completing the compliance review. Please advise how to handle any amounts already collected if registration is not mandatory, including whether voluntary registration/remittance or customer refunds are appropriate.

SELLER must remit the taxes collected from Oklahoma customers to the Oklahoma Tax Commission. Sales tax collected from customers belongs to the state, not the seller. SELLER may not keep it, net it against other amounts, or refund it to customers. The items sold are subject to sales tax, and if SELLER had not collected the tax, the customers would have been required to pay Oklahoma use tax on these purchases. The collected amounts should be reported on the return for the applicable filing period.

Although SELLER is not required to continue collecting and remitting Oklahoma sales and use tax, it may do so voluntarily.

Based on the facts presented in your request, SELLER may qualify as a "CSP-compensated seller" in Oklahoma. Oklahoma is a Full Member State of the Streamlined Sales Tax Governing Board and will compensate a Certified Service Provider (CSP) for providing the software and services necessary to perform all of SELLER's sales and use tax functions. Under the CSP contract, the CSP will not charge SELLER for these services in the Streamlined Member States in which SELLER is a "CSP-compensated seller."

For more information on registering through Streamlined Sales Tax and on Certified Service Providers, visit streamlinedsalestax.org.

This response applies only to the circumstances discussed in your original request of October 10, 2026. Pursuant to Okla. Admin. 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. Further, this Letter Ruling is a general statement of the law as it relates to your questions and may not be relied upon in relation to any previous audits or protests related thereto. This ruling does not prevent the Commission from conducting an audit or examination under 68 O.S. § 206 or from issuing any assessment, correction, or adjustment authorized under 68 O.S. § 221.

Sincerely,

Tax Policy & Research Division
THE OKLAHOMA TAX COMMISSION