OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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October 18, 2000

Re: Our file Number LR-00-145; Sales tax implications of the use of an"even pricing" system

Dear

This is in response to your inquiry concerning the use of an "even pricing" system by your client, . As noted in your letter," the even pricing system eliminates pennies from sales transactions by making the total price paid by the customer (price plus sales tax) always divisible by five, thus, reducing the time required for customers to pay for their purchases and for employees to count and return change to customers."

Additionally, you state that " has developed a pricing system that allows separately calculated sales tax to be included in the price of each concession item. Under 's even pricing system, has posted signs that separately state the price and applicable sales tax for each item in the concession areas. In order to ensure consumer awareness of the inclusion of sales tax, the signs include language stating that the selling price of each item includes all applicable sales tax."

Finally, you confirm that " s point of sale cash register system applies sales tax at the transaction level. Records and data files are available to document transaction detail, including sales and sales tax amounts."

Based on these statements, it appears that s method of collecting sales tax conforms to the requirements of the Oklahoma Sales Tax Code and more specifically to the guidelines set out in Oklahoma Tax Commission Rule 710:65-1-6, which deals with

the ability of a vendor to add the tax to a selling price and to "back out" from the total gross receipts the tax collected. A copy of this rule is enclosed.

This response applies only to the circumstances set out in your request of July 7, 2000. 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 that there has been no change in applicable law.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX
COMMISSION

Michael G. Pillow
Tax Policy Analyst