OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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January 11, 2001

Re: Our File Number LR- 00-217

Dear

This is in response to your inquiry for written policy on the interpretation of the recent amendment to Title 68 Section 1356 (23) which provides an exemption for **"municipally-owned recreation centers"** on "dues or fees which have a value equivalent to the charge that could have otherwise been made, for the use of facilities and programs at municipally-owned recreation centers." The three categories for the fees, programs, services and other activities that were presented in your correspondence have been scanned into this document below with our responses as to their tax status as a result of the legislative change.

1st category of items you believe to be exempt:

Facility fees at our recreational centers: Facility Rental, Gym Rental, Room Rental, Party Room Rental and Pool Rental.

Program fees such as: Aerobics, Basketball, Exercise, Gymnastics, Martial Arts Instruction, Soccer League, Softball League, T-Ball League, Tennis League, Volleyball, Yoga, Arts and Crafts Classes, Ceramic Classes, Painting, Performing Arts, Thespian Club and Tennis Court Rentals to mention a few of the activities.

Admission fees at swimming and aquatic pools located at ***"municipally owned recreation centers"*** *such as: open swim, season passes, group sales, evening family fun nights, dive-in movies, swimming and scuba lessons and synchronized swimming.*

Admission and tour fees charged by the and

Facility fees charged for the use of (room rentals) and/or the (use of garden).

Fees charged for use of open-air picnic shelters, pavilions, athletic fields, and stadiums.

Refundable deposits, key deposits, refundable cleaning fee or non-refundable processing fee (handling charge). Deposits are not refunded in case of loss and/or damage."

Our response:

We agree that the above listed fees, programs and activities are exempt with the exception of the fees charged for the admission to the and They would be considered places of amusement and therefore taxable.

2nd category of items that you are unsure if they would be exempt or not:

Fees charged for use of booth space at city-sponsored events (with no sales).

Fees assessed to rent space on the for weddings and other events. The is park property.

Green fees assessed for rounds of golf on City golf courses. The City Golf Courses are on park property.

Admission fees charged to enter the Zoo. The Zoo is on park property."

Our response:

We agree that the above booth and rental spaces are not taxable. However, the green fees assessed for rounds on City golf courses are subject to sales tax if spectators are not charged an admission fee and the fees charged for the admission to the Zoo are taxable as a place of amusement.

3rd category of items that you assume are still subject to sales taxes:

The rental of park or recreational equipment and the sales of supplies or books.

Sales made at the Gift Shop.

Sales made at the pro shops.

Sales made at the Zoo's Gift Shops.

Concession sales at all facilities."

Our response:

We agree that all the above are subject to sales tax as sales or rentals of tangible personal property. See Title 68 Section 1354.

Our ruling is based on Title 68 Section 1356(23) and Commission Rules 710:65-19-6 and 710:65-19-77 which is currently being amended to reflect the recent change to Title 68 Section 1356 (23). Please note that Title 68 Section 1356(23) specifically states that the exemption for the dues or fees are for the use of the facilities and programs at "municipally-owned *recreation centers.*" Therefore, the exemption is limited to the activities at recreation centers.

Copies of the statutes and rules referenced are enclosed. If I can be of further assistance please contact me.

This response applies only to the circumstances set out in your request of October 16, 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,

Brenda J. Sullivan
Tax Policy Analyst

Enclosures