

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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June 27, 2003

Re: Our File Number LR-03-071; Sales and Tourism Tax on sales at recreation centers

Dear

This is in response to your inquiry concerning sales and tourism tax on certain sales at city owned recreation centers. You state the City's positions as follows:

1. "...it is the City's belief that the memberships sold for the fitness center, aerobic classes, and aquatic center admission fees are not subject to sales tax."

Response: We agree that the memberships sold for the fitness center, charges for aerobic classes and the aquatic center admission fees are not subject to sales tax pursuant to Oklahoma Tax Commission Rule 710:65-19-77.

2. "... it is the City's belief that the concession sales and aquatic center gate fees are not subject to Tourism tax."

Response: We agree that the aquatic center gate fees are not subject to Tourism tax. Whether or not the concession sales are subject to the Tourism Tax is dependent on whether or not the concession would be classified as a restaurant. That is dependent on whether or not it sales prepared food and is required to hold a license as referenced in Oklahoma Tax Commission Rule 710:75-1-2. I am forwarding a copy of your letter and this response to Mr. Rick Ezell of the Collections Division to have an agent visit your location to determine if tourism tax is required to be remitted on the aquatic center concession stand sales.

Copies of the rules referenced above are enclosed.

This response applies only to the circumstances set out in your request of April 8, 2003. 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

A handwritten signature in black ink that reads "Michael G. Pillow". The signature is written in a cursive style with a large, stylized initial "M".

Michael G. Pillow
Tax Policy Analyst

Cc: Rick Ezell
Jerry Kirton