

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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July 10, 2003

Re: Our File Number LR-03-103; Sales tax on golf cart rentals and on lesson fees.

Dear [REDACTED]

This is in response to your inquiry concerning the subjects referenced above.

In your first question you state that the club pays sales tax on the leases of golf carts that are either used by the club employees internally, are provided for the use of members as a part of their membership or are rented. If all the golf carts are either used internally or are provided for the use of the members, and occasionally are rented, then sales tax is due on the lease of the carts by the club and the occasional rentals are also taxable. The club may only make purchases, exempt from sales tax of those items intended for resale. The club's lease of golf carts which are intended for use by the members for no additional fee are not intended for resale and may not, therefore be purchased exempt for "resale". This position is based on Oklahoma Tax Commission Precedential Order 96-09-11-002 and Oklahoma Tax Commission Rule 710:65-1-10. Copies are enclosed.

In answer to your question concerning the taxability of lessons, Oklahoma Tax Commission Rule 710:65-19-49 states that the fee for the lesson is taxable where less than 100 percent of the lesson fee is given to the person who taught the lesson. A copy is enclosed.

This response applies only to the circumstances set out in your request of May 28, 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



Michael G. Pillow
Tax Policy Analyst