OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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February 17, 2004

Re: Our file Number LR-04-023; Tax status of health fitness center

Dear

This is in response to your inquiry for a ruling regarding the tax treatment of medical services provided at a health fitness center.

Please be advised, according to Oklahoma Statute, Title 68 Section 1354 (11) and Commission Rule 710:65-19-77, "Dues or fees to clubs including free or complimentary dues or fees which have a value equivalent to the charge that would have otherwise been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business are subject to sales tax". Therefore, charges for memberships or services rendered at health fitness centers are subject to sales tax.

Conversely, medical treatment at a medical facility is not subject to sales tax.

Please note subsection (4) of the above rule contains an exemption for dues or fees paid to YMCA's or YWCA's or municipally-owned recreation centers for the use of facilities and programs.

This response applies only to the circumstances set out in your request of January 31, 2004. 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. Enclosed find a copy of the Statute and Commission Rule referenced. If I can be of further assistance, please call me.

Sincerely,

Brenda J. Sullivan
Tax Policy Analyst