OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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December 28, 2005

[redacted]

Re: Our File Number LR-05-078.1; Tax status of wedding chapel

[redacted]

This is in response to your request for further clarification regarding your wedding "reception service". You asked if the items described as minimal charges that were listed in your June 1, 2005 correspondence warrant your business obtaining a sales tax permit.

Please be advised that Commission Rule 710:65-19-40 governing "Caterers" does not contain a provision exempting minimal charges for such services. Therefore, as stated in our response dated May 18, 2005; "In conclusion, the charge for the performance of the wedding ceremony only is not subject to sales tax unless the charge includes food served during the wedding reception, it would then be taxable. However, if the charge for the wedding reception, i.e. food is separately stated on the invoice from the wedding ceremony, then only the charge for the food is taxable."

Sincerely,

Brenda J. Sullivan
Tax Policy Analyst

cc: Angela Woods, Supervisor for D'Lon Winn, Field Representative
Tulsa, Tax Commission

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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May 18, 2005

Re: Our File Number LR-05-078; Tax status of wedding chapel services

Dea

This is in response to your request for clarification regarding the tax status of your business, d.b.a. l. You stated that the building where you provide the "service of marrying couples"; has "pews, candles abras (sic) and an archway", which are permanent decorative fixtures. The charge for the use of the facility and performance of the wedding ceremony is one set price depending on the number of guests and regardless if the candle abras (sic) are desired. Based on this set-up, the charge of providing a wedding ceremony is not subject to sales tax. You further stated, that you have an area where guests are served cake upon the request of the bride and groom and that you provide the food, i.e. cake, punch, nuts and mints and pay sales tax. Based on this set-up, where you provide and serve food, the charge is subject to sales tax as this is similar to a caterer. See Commission Rule 710:65-19-40 (a) which states in part "caterer" means a person engaged in the business of preparing or serving meals, food, and drinks, ...(b) sales tax must be collected, reported and remitted on all charges made by caterers for serving meals, food, and drinks..." A copy of the rule is enclosed in its entirety.

Additionally, if you are regularly engaged in the business of providing and serving food as part of the wedding ceremony, you must have a sales tax permit. Another aspect of having a permit is that it allows the holder to purchase items (food, etc.) for resale exempt from sales tax. In turn, the permit holder is required to collect and remit sales tax on all taxable sales. Without a sales tax permit, . would not only have to pay sales tax when the items were purchased, it would have to charge sales tax when the items were sold. Therefore, the food purchases for the wedding ceremony may be purchased exempt if there is a charge for the wedding reception. Please note, sales tax will need to be paid at the time of purchase on items that are not to be resold, but rather will be given away or used or consumed by

See Section 1357 (3) of Title 68 and Commission Rule 710:65-13-200 and 710:65-1-7 subsection (2).

In conclusion, the charge for the performance of the wedding ceremony only is not subject to sales tax unless the charge includes food served during the wedding reception, it would then be taxable. However, if the charge for the wedding reception, i.e. food is separately stated on the invoice from the wedding ceremony, then only the charge for the food is taxable.

Enclosed is a copy of the statutory reference and Commission Rules listed above and a registration packet, which needs to be completed in order to obtain a sales tax permit. If I can be of further assistance, please contact me.

This response applies only to the circumstances set out in your request of May 2, 2005. 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.

Sincerely,

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst

Enclosure