OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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May 17, 2006

Re: Our File No. LR-06-082; Request for Sales Tax Ruling

Dear

This is in response to your inquiry regarding the taxability of annual membership fees, monthly fees for use of a web page and fees to attend monthly business meetings.

The gross receipts from a transaction which does not involve the sale of tangible personal property but merely represents the rendering of service or labor is not subject to sales tax unless the service is specifically enumerated under Title 68 O.S. 1354 as being subject to sales tax. Based on the information provided in your letter which describes the different services your company will offer, none appear to be subject to sales tax. If the services should include the sale of tangible personal property, such charges should be separately stated on the invoice or bill and sales tax would be due on the sale of the tangible personal property. For example, the sale of a membership which entitles distributors to purchase products at wholesale prices and support services is not subject to Oklahoma sales tax. However, any promotion materials, i.e. sales kits, video tapes, brochures, are subject to sales tax. See Oklahoma Tax Commission Rule 710:65-19-77.

This response applies only to the circumstances set out in your request of May 8, 2006. 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,

Lisa R. Haws
Tax Policy Analyst

Enclosures