OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

September 20, 2006

RE: Our File Number LR-06-088; Sales tax status of a parasailing business

Dear

This is in response to your request for a written response as to whether your company should charge sales tax on the activity that you described as parasail rides, "where you hook people up to a parasail and give rides behind a winch boat and charge a flat rate per ride."

Please be advised that the above transaction "parasail rides" would fall in the category of Oklahoma Statutes Title 68 Section 1354 (14) which states "charges made for the privilege of using items for amusement, sports, entertainment, or recreational activity, such as trampolines or golf carts," and would be subject to sales tax. Please find the related statute enclosed.

Additionally, House Bill 1174XX of the recent legislative session repeals the tourism promotion tax, effective July 1, 2007. However, if you conducted business where sales tax was reported prior to this date, tourism tax would also be due through this time period.

This response applies only to the circumstances set out in your request of June 16, 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,

Brenda J. Sullivan

Brenda J. Sullivan
Tax Policy Analyst

Enclosure