OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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July 18, 2007

Re: Sales taxability of personal training services; Our File No. LR-07-086

Dear

I am writing in response to your inquiry regarding the sales taxability of personal training services. A restatement of the facts presented in your inquiry and our subsequent telephone conversation and a response thereto is set forth below:

, a personal training company, operates and executes all of its services in the . is not required to make any payment to the for use of its facilities or for any other reason. Currently sole proprietor of and the company's only employee, works with all the customers directly. The operation of consists of people with fitness needs coming to the facility and paying a fee (varies depending on the training program) directly to for instruction on the proper exercise techniques. The funds are recorded for income tax purposes and then placed in personal checking account at which point they will be considered income. Customers do not pay for membership as they are granted free use of the facility.

OAC 710:65-19-49 provides that "swim, tennis, golf and other lessons given at a club or country club are subject to sales tax unless the club or country club is merely a conduit for the instructor and the entire fee charged for the lesson is turned over to the instructor who taught the lesson and reported for income purposes."

Based on the foregoing and in accordance with OAC 710:65-19-49, the fees described in the above scenario given directly to as payment for personal training services are not subject to sales tax.

This response applies only to the circumstances discussed in your request of June 21, 2007. 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 there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

Christy J. Caesar
Tax Policy Analyst