OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

November 17, 2009

Re: Sales Tax Inquiry; LR-09-178

I am writing in response to your request for information regarding the sales taxability of registration fees for an indoor triathlon to be held at the for members, non-members, campus, and outside of campus.

Section 1354(12) of Title 68 levies a sales tax on "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." OAC 710:65-19-77 further provides that "dues, fees, or any charge, payment, or contribution required as a condition precedent to membership in a club; or for access to the club establishment; or for access to or use of facilities, equipment, services, or privileges are subject to sales tax."

Based on the foregoing, the registration fees for the indoor triathlon are subject to sales tax.

This response applies only to the circumstances discussed in your request of October 20, 2009. 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

Christy J. Caesar
Tax Policy Analyst

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

November 17, 2009

Re: Sales Tax Inquiry; LR-09-178-A

I am writing in response to your request regarding the sales tax treatment of certain events. Set forth are the facts presented along with the question posed and the response thereto:

FACTS

We have a couple of events that are held on campus that includes a meal; for example, we had an Alumni Celebration for the . It was a dinner plus awards ceremony, and informational meeting for the alumni of the to see what the university is doing and in hopes that the alumni will give money back to the University. The University paid for almost everything except they charge a small fee for the event. We also have a commencement event where the students are graduating, but the parents are paying for the meal plus the commencement. We also have an event for an undergraduate program for students to spend 8-12 weeks working in different graduate programs to see which graduate program they would like to enroll in. At the end of the 12 weeks they have an awards ceremony plus a meal; however, the parents have to pay for the meal, but students don't.

QUESTION

Are these events taxable?

RESPONSE

Unless specifically exempted by statute, sales tax is due on the gross receipts derived from sales of "tickets for admission to or voluntary contributions made to places of amusement, sports,

entertainment, exhibition, display or other recreational events or activities, including free or complimentary admissions which have a value equivalent to the charge that would have otherwise been made." 68 O.S. § 1354(13). To implement and administer the levy in Subsection 13 of Section 1354 the Tax Commission promulgated Oklahoma Administrative Code 710:65-19-6 which provides in part that "places of amusement or entertainment also include all places where the public is charged a fee for admission to see any kind of display or hear any kind of a program. Therefore, based on the above authority, it appears that the charges for the described events would be subject to sales tax. However, even if the described events do not fall within the parameters of Section 1354(13), food sales are subject to sales tax in accordance with Section 1354(10) of Title 68. Consequently, since there is no segregation of the gross receipts attributable to the provision of meals and other related event activities the total amount charged is subject to sales tax.

This response applies only to the circumstances discussed in your request of October 20, 2009. 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

Christy J. Caesar
Tax Policy Analyst