OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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

March 28, 2011

Re: Our File No. LR-10-134

Dear

This is in response to your request for a written ruling regarding the "appropriate method for sales tax collection, reporting and filing for Third Party Ticket sales." Set forth verbatim are the facts presented along with our response thereto.

> has entered into a written agreement with . The agreement allows to sell Tickets at locations. The tickets are sold by for $2.00 above the amount charged to by . When the tickets are sold by notifies the number of tickets sold and remits $17.25 per ticket ($15.91 plus 8.375% sales tax). When sells the tickets - they are sold for $17.92 plus sales tax $1.50. The monthly sales tax reports filed by show the value charged by x the number of tickets as a exemption. Only the $2.00 up charge per ticket is included as taxable sales. A few weeks ago, I contacted Tracy Griffin (OTC Account Analysis) with this scenario. I wanted to make sure was handling these sales correctly. Tracy presented this issue to Tax Policy and came back with the following. should include the entire sales amount of each ticket on the sales tax report. should be reporting the tickets sold to s as a resale item on their sales tax reports. Now has contacted the OTC and received a different opinion. would like to have a written ruling that defines the appropriate method for sales tax collection, reporting and filing for Third Party Ticket sales.

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, and free or complimentary admissions which have a value equivalent to the charge that would have otherwise been made. 68 O.S. § 1354(13). "Sale" is defined to mean, "the transfer of either title

or possession of tangible personal property for a valuable consideration regardless of the manner, method, instrumentality, or device by which the transfer is accomplished in this state. . . ." 68 O.S. § 1352(22). The term "sale" includes but is not limited to "the sale, gift, exchange, or other disposition of admission, dues, or fees to clubs, places of amusement, or recreational or athletic events or for the privilege of having access to or the use of amusement, recreational, athletic or entertainment facilities." 68 O.S. §1352(22)(c). Gross receipts, gross proceeds, or sales price is the base upon which sales tax is calculated. The terms are synonymous and are defined as "the total amount of consideration . . . for which personal property or services are sold . . . whether received in money or otherwise. . . ." 68 O.S. § 1352(12)(a).

Based on the foregoing, should collect sales tax on $17.92-the gross receipts attributable to the sale of an admission ticket and report and remit same to the Oklahoma Tax Commission.

, pursuant to an Oklahoma sales tax permit, may purchase, exempt from sales tax, tickets from , for resale to its customers. The documentation that should be obtained from and retained by is set out in OAC 710:65-7-8, a copy of which is enclosed.

Gross receipts from the ticket sales should be included on Line 1. *Total Sales* of sales tax report. The gross receipts from the ticket sales to should be reported on Line 3a. *Sales to Those Holding Sales Tax Permits or Direct Pay Permits* of Schedule N. *Sales Tax Exemption Schedule* and deducted from gross receipts on Line 3. *Total Exemptions* of the sales tax report.

This response applies only to the circumstances discussed in your request of September 27, 2010. Pursuant to Oklahoma Administrative Code 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