

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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December 28, 2011

Fax: [REDACTED]

Re: LR-11-121; Taxability of certain late payment fees

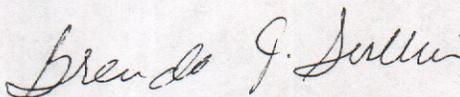
Dear [REDACTED]

This is in response to your inquiry, wherein you asked if [REDACTED] should collect sales tax on late fees assessed customers when they do not pay their monthly invoice for parking by its due date.

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), copy enclosed. The late charges described herein do not fall within any of the items excluded from gross receipts and therefore are subject to sales tax.

This response applies only to the circumstances discussed in your request of January 24, 2011. 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.

OKLAHOMA TAX COMMISSION



Brenda J. Sullivan
Tax Policy Analyst