OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

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June 22, 2012

RE: LR-11-125 (Sales Tax Inquiry)

Dear

I am writing this letter in response to your request regarding Oklahoma sales tax. Set forth are the facts presented along with the responses thereto.

Facts:

We are attempting to ensure we are applying sales tax correctly on complimentary tickets and tickets given in exchange for advertising. The specific question we have is whether to apply sales tax on "complimentary" tickets that are written into an annual contractual agreement with a vendor.

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, and free or complimentary admissions which have a value equivalent to the charge that would have otherwise been made. 68 O.S. § 1354(13). See also OAC 710:65-19-51. 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).

Therefore, complimentary tickets and tickets given in exchange for advertising are subject to sales tax.

This response applies only to the circumstances discussed in your written request of November 14, 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.

Sincerely,

OKLAHOMA TAX COMMISSION

Marc Morrison

Marc Morrison
Tax Policy Analyst