OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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August 1, 2013

RE: LR-13-021 (Sales Tax Inquiry)

Dear

This letter is in response to your request regarding Oklahoma sales tax. Set forth are the facts presented along with the question posed and the response thereto.

Facts:

We are currently researching the taxability of a "check charge" in which a customer pays for a taxable purchase with a personal check, and the retailer charges an extra fee for this type of payment.

Question:

Is this "check charge" subject to sales tax in your state?

Response:

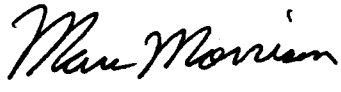
Gross receipts, gross proceeds, or sales price is the base upon which sales tax is calculated. The terms are synonymous and are defined as "the total amount of consideration . . . for which personal property or services are sold . . . whether received in money or otherwise. . . ." 68 O.S. § 1352(12)(a). No deduction from gross receipts is allowed for "charges by the seller for any services necessary to complete the sale . . ." 68 O.S. § 1352(12)(a)(1). The fee charged by the seller to accept from the purchaser a personal check as payment constitutes a charge necessary to complete the sale which may not be deducted from gross receipts for sales tax computation purchases. Therefore, the referenced check charge is subject to sales tax in Oklahoma.

This response applies only to the circumstances discussed in your written request of March 21, 2013. 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



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