

OKLAHOMA TAX COMMISSION



TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
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July 17, 2015

Re: LR-15-022

Dear

This is in response to your inquiry regarding whether a customer facility charge should be included in gross receipts for sales and vehicle rental tax calculation purposes. It is my understanding based on the facts outlined in your correspondence of June 23, 2015 and the documentation included therewith that:

Effective July 1, 2015, a public trust, is adopting a \$3.00 per transaction day CFC (Customer Facility Charge) to be collected by all rental car companies from its customers operating at Regional Airport. The purpose of recovering the cost incurred by the is for planning, design, construction and operations of the facilities to be used by the rental car companies. CFC collected will be remitted to on a monthly basis. The CFC is not revenue to the car rental company. This is a request for and both renting cars at the Airport.

Question

Should the CFC – Customer Facility Charge be included in gross receipts for sales and vehicle rental tax?

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). A deduction from gross receipts is allowed for "any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale or similar document given to the purchaser." 68 O.S. § 1352(12)(b)(3). Since the incidence of the subject customer

facility charge is on the consumer/rental car customer, the CFC, if separately stated, should not be included in gross receipts for sales tax calculation purposes. Likewise, consistent with this reasoning and stated condition, the computation of vehicle rental tax imposed pursuant to Section 2110 of Title 68 on the gross receipts of any rental agreement of a motor vehicle for ninety days or less, should not include the CFC.

This response applies only to the circumstances discussed in your written request of June 23, 2015. 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

A handwritten signature in black ink, appearing to read "Christy J. Caesar". The signature is written in a cursive, flowing style.

Christy J Caesar
Tax Policy Analyst