OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
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September 10, 2015

Re: LR-15-028

Dear

This is in response to your request regarding the sales tax treatment of a reusable bag credit. In your correspondence received July 22, 2015 you indicated that tax is applied if the reusable bag credit is donated to a food bank or if taken as a credit against the amount due. Based on the information provided, it is my understanding that grocery store customers who provide their own bags are allowed per bag store credit and that sales tax has been calculated on these credit amounts.

Gross receipts, gross proceeds, or sales price is the base upon which sales tax is calculated. Pursuant to Section 1352(12)(b)(1) of Title 68 of the Oklahoma Statutes, gross receipts does not include "discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale." Under the facts presented the reusable bag credit whether applied to a customer's grocery bill or given as a donation to the food bank should not be included in gross receipts for purposes of sales tax calculation.

Sincerely,

OKLAHOMA TAX COMMISSION

Christy J. Caesar
Tax Policy Analyst