

Deal of the Day Voucher Survey 2012

State Comments from the Survey

Arkansas

5. Purchaser paid \$50 for voucher and the fee is part of that sales price.
6. Same as 5.
7. Doesn't matter; purchaser paid \$50

Indiana

6. Transaction now simply becomes an exchange of a voucher worth \$50 for \$50 worth of TPP. Again, Retailer B received \$40 cash + \$10 worth of services from Deal Company A.
7. Some services enjoy an exemption from sales or use tax.

Iowa

5. If the discount certificate has the purchase price printed on it, then tax would be collected on that amount otherwise it would be the stated value.

Kansas

5. Voucher is treated like a gift certificate. Face Value of the voucher is the sales price.
6. The value of the taxable merchandise the voucher is redeemed for is considered the sales price.
7. Sales price would be the face value of the voucher redeemed at the retailer.

Kentucky

5. \$100 as the face value of the voucher unless the voucher contains a notation of the \$50 sales price paid by the customer. Retailer B must retain documentation of the \$50 sales price to support the reported gross receipts. Even if the voucher does not contain a notation, Retailer B may report the lesser sales price only if documentation supports the customer payment of \$50.
6. Answer assumes documentation supports redemption for the lesser amount.

Maine

5. Maine would treat the \$50 difference as a retailer discount.

Massachusetts

5. See draft directive released for public comment in September but not yet finalized.
6. When the promotional value expires, purchaser only gets credit for the amount paid at the time of the purchase.

Minnesota

1. Retailer B is the seller, assuming the Deal Company A did not take possession of or title to the food.
2. No, it is not a sale of tangible personal property. The customer paid a set price to purchase the opportunity to make a purchase at less than the usual price.
4. Yes, the compensation fee is an expense of the seller and is included in the sales price as part of the total consideration paid.
5. Assuming that Deal Company A did not take possession of or title to the food
6. Assuming that Deal Company A did not take possession of or title to the food and that the voucher was redeemed for \$50. If the cost of the food exceeded the \$50 redemption value of the voucher, the additional cost would also be subject to tax. For example, if the food cost \$75 and the voucher was redeemed for \$50 both the \$50 paid via the redeemed voucher and the \$25 dollars paid via some other means (e.g. cash, credit, etc.) would be subject to tax.

Missouri

5. This transaction is treated in the same way as a gift card.
6. Timing is not an issue.
7. If the voucher is for a specific product or service at a discount price, then the amount to tax is the amount paid. The merchant is responsible for the tax at the time the product is purchased, which is collected from the customer.
If the voucher is not for a specific product or service, then the amount to tax is the retail value of the product or service. The merchant is responsible for the tax at the time the product is purchased, which is collected from the customer.

Nebraska

4. The redemption value is not affected by either the amount paid for the purchase of the voucher from Deal Company or any payment to Merchant by Deal Company.
5. The selling price of the voucher has no bearing on the subsequent redemption.
6. The selling price of the voucher has no bearing on the subsequent redemption.

North Carolina

5. Stated value represents the sale price.
6. In this instance, \$50 becomes the revised stated value and thus represents the sales price.
7. Sales price would be the same.

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North Dakota

5. \$50 is the total amount of the consideration paid by the purchaser.
6. #2 is based on a \$100 purchase price of taxable goods or services which leaves \$50 for the purchaser to pay at the point of sale. If the taxable goods or services were only \$50, the purchaser would still pay the calculated tax on \$50.
7. \$50 is the total amount of the consideration paid by the purchaser.

Rhode Island

5. Total 3rd party consideration of \$40 plus any additional charges by the retailer to customer. (Revised response - \$50 Voucher Purchase Price)
6. Same as #5 (Revised response to #5)
7. Same as #5 (Revised response to #5)

Texas

5. Some other amount. The amount of the transaction between customer and Retailer B as a recorded in retailer's books determines sales price. For example, customer pays \$50 for a voucher that is good for \$100 worth of food. When customer redeems voucher, he only buys \$30 worth of food. Tax is due on \$30 if that is the amount of sale presented to customer and recorded in seller's books. If sale is recorded by seller as \$40 regardless of amount of merchandise selected by consumer that tax would be due on \$40.
6. Some other amount. Same answer as #5
7. Either way we will look at how sale is recorded by seller to determine taxable amount.

Washington

5. The taxable amount represents the total consideration tendered by the buyer consistent with the definition of "sales price." However, the Department would treat the "sales price" as being \$100 (not the \$50) if the retailer (or its employees) is not aware of the price the customer paid for the voucher by looking at the face of the voucher. If the retailer's employees are aware of the amount that the customer paid for the voucher (either because it's listed on the face of the voucher, or for some other reason), then retail "sales price" would be only \$50 under (\$100 less a \$50 discount).
6. We read this scenario to recognize the following situation involving a voucher:
 - Buyer pays \$50 to purchase the \$100 voucher
 - Conditions for redemption are:
 - The voucher must be used/ purchased from Retailer B no later than June 15th for the buyer to receive full \$100 redemption value.
 - After June 15th the voucher may still be used, but the redemption value is the \$50 amount paid for the voucher.
 - Buyer uses the voucher when making a purchase from Retailer B on July 1st.
 - Retailer B accepts the voucher and applies it as \$50 towards the purchase.
 - The result for Washington is the same as if the voucher were redeemed at full value used June 1st assuming again that Retailer B knew the purchaser paid \$50 for the voucher.
7. It would generally not make a difference unless the payment instrument represented a cash equivalency equal to a higher amount.