Ohio Administrative Code
Rule 5703-9-15 Sales and use tax; coupons, coupon books, and gift certificates.  
Effective: November 4, 1991

(A) For the purposes of this rule:

(1) "Coupon" means a certificate, ticket, card or other document which entitles the bearer thereof to a specified discount on the purchase of tangible personal property or services. Discounts may include either fixed amount or percentage reductions from the cost of merchandise or free merchandise with the purchase of other items.

(2) "Coupon book" means a bound collection of coupons that are redeemable by a merchant or several designated merchants and includes, such things as dining or entertainment discount clubs.

(3) "Gift certificate" means a document which has a face value toward the purchase of tangible personal property or services.

(B) Coupons published by a vendor or on behalf of a vendor in a newspaper, handbill, magazine, or by any method and distributed to the public without charge, other than the cost of the newspaper or magazine, and for which the redeeming vendor receives no reimbursement, are considered to be discounts allowed prior to the consummation of the sale and are not part of the taxable price.

(C) When coupons that are published by a manufacturer, distributor, wholesaler, or any other person, and for which the vendor is reimbursed by the manufacturer, distributor, or wholesaler upon surrender of the coupons, are redeemed by a consumer, the price for tax purposes is the selling price of such property or services before application of the coupon amount. If the vendor enhances the value of a coupon, the amount of the unreimbursed enhancement will be treated in the manner described in paragraph (B) of this rule.

(1) Coupons, coupon books, and gift certificates which are sold, either by the vendor which anticipates redeeming them or by any corporation, association, or other person for use among a variety of vendors, are not to be treated as the sale of tangible personal property and no tax should be
collected on such sales.

(2) When a purchased coupon, coupon book, or gift certificate is used to purchase taxable tangible personal property or services, the price for tax purposes is the selling price of such property or services before application of the discount or gift certificate amount.