

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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August 10, 2001

Re: Our file Number LR-01-121; Sales tax on the sale of certain internet services.

Dear

This is in response to your inquiry concerning your client. I have scanned into this letter your fact scenario and question, which are followed by our response.

Fact Scenario

The taxpayer is an Oklahoma corporation with its only office located in Oklahoma. The taxpayer is in the business of providing a means by which businesses and individuals can obtain research data (sales leads) over the internet.

The taxpayer has developed an internet web site at which customers can enter data search criteria (such as: the names and addresses of new homeowners moving into the zip code during 2001) and obtain the desired data (leads). Once the data is assembled online by the taxpayer's software, the customer may view the data on screen, download the data to their own computer, or print the data while on line. The customer is responsible for creating a paper copy of the data. No hard copy is furnished to the customer by the taxpayer. For this service the customer is charged a fee based on the number of leads supplied by the taxpayer.

Question

Are the fees charged by the taxpayer for this service/product subject to Oklahoma sales tax?

Our Response

The services of providing the information to your client's customers, as set out in your fact scenario, are not subject to sales tax in Oklahoma. This response is based on Oklahoma Tax Commission Rules 710:65-19-156 and 710:65-19-86. Copies are enclosed.

This response applies only to the circumstances set out in your request of July 31, 2001. Pursuant to Commission Rule 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 that there has been no change in applicable law.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX COMMISSION

A handwritten signature in black ink, appearing to read "Michael G. Pillow". The signature is written in a cursive style with a large, stylized initial "M".

Michael G. Pillow
Tax Policy Analyst