

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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August 8, 2002

Re: Our File Number LR-02-134; Sales/Use tax on the sale of computer software maintenance contracts.

Dear

This is in response to your inquiry concerning sales/use tax due on the sale of computer software maintenance contracts that provide for software updates. You specifically ask whether the contract is taxable if the maintenance contract is sold by someone other than the original vendor of the software.

Our response is that charges for software maintenance contracts that provide for software updates are subject to sales tax without regard to whether the software was originally sold by the person providing the software maintenance contract. This position is based on Oklahoma Tax Commission Rule 710:65-19-52.

We have not issued any other letter rulings on this specific question.

This response applies only to the circumstances set out in your request of August 1, 2002. 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



Michael G. Pillow
Tax Policy Analyst