OKLAHOMA TAX COMMISSION

June 5, 2003

TAXPAYER ASSISTANCE DIVISION
LARRY WILSON, DIRECTOR

TPA

Dear Sir/Madam:

We have received and reviewed the letter dated May 30, 2003, in which your company states it qualifies for the exemption found at 68 O.S. Section 1357(19) since its Oklahoma establishment is primarily engaged in the design, development and production of prepackaged computer software as defined under Industrial Group Number 737 of the Standard Industrial Classification Manual. Further it stated that your company derives at least eighty percent (80%) of its annual gross revenues from the sale of its products to out-of-state buyers or consumers.

Based on our review, from July 1, 2003 until June 30, 2004, is eligible for exemption from sales tax on machinery and equipment purchased and used in its business of design, development and production of prepackaged computer software. In order to qualify for subsequent periods you must file another affidavit with the Commission as required by Section 1357(19).

We do not issue exemption numbers to persons determined to be exempt under this section of the Sales Tax Code. Rather, you can provide your vendors a copy of this letter to notify them of your claim for exemption.

This response applies only to the circumstances set out in your request of May 30, 2003 and may not be relied upon by any entity other than the addressee. In the event of any change in the facts surrounding the transaction described, this letter ruling would no longer be applicable. You are further advised that subsequent statutory or administrative rule changes or judicial construction of the statutes or rules upon which this advice is based may yield a different result from that which is expressed here.

If we can be of further assistance, please call (405) 521-3160.

Sincerely,

OKLAHOMA TAX COMMISSION

Jerry Kirton

Jerry Kirton, Administrator
Business Services

JK:lw