OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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July 13, 2004

Re: Our File Number LR-04-144; Taxability of Optional Software training

Dear

This is in response to your request for a ruling regarding the taxability of optional software training as it pertains to the questions listed in your correspondence.

According to Commission Rule 710:65-19-52 subsection (d) (3),"If the contract is optional and provides only maintenance agreement support services, the contract is not taxable". Also, subsection (e) states that "written training materials are taxable, although the training services themselves are not." Please find a copy of the above rule enclosed in its entirety.

Therefore, the optional software training that is described in questions 1, 2, and 3 is not taxable when separately stated on the invoice.

This response applies only to the circumstances set out in your request of June 29, 2004. 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,

Brenda J. Sullivan
Tax Policy Analyst

Enclosure