OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063

November 17, 2005

RE: Our File Number LR-05-190; Tax status of web-based sales & use tax compliance services

Dear

This is in response to your inquiry concerning the sales tax implications in Oklahoma from the provision of web-based compliance services. I have scanned your fact scenario and questions into this letter, followed by our response.

is a web hosted exemption certificate service. client is the seller. When the seller makes an exempt sale to a customer, an exemption certificate is needed as support. The customer is instructed to go to portal on the worldwide web where all the exemption certificates for all the states are available. The customer chooses the exemption certificate for the state that is applicable, fills out the certificate on-line, prints out the certificate, signs the certificate and faxes the certificate to the fax server, located in California. The certificate is immediately available for inspection by our client in PDF format on website. No tangible personal property is transferred between any of the parties. Is this service subject to tax in your state?

Our Response: No. See Commission Rule 710:65-19-156.

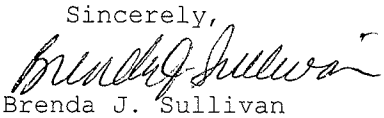
is a web hosted sales tax return compliance service. If our client needs a sales tax return for your state, the following steps will occur. The client will transfer their accounting data via the internet to ; mainframe. The data is mapped to the line items on the sales tax returns. A sales tax return is prepared in PDF format. The return is either sent electronically to the state or is emailed to the client in PDF format or mailed to the client in paper form. The client then takes the return, cuts a check and sends the return to the state's department of revenue. Is this service subject to tax in your state?

Our Response: No. See Commission Rule 710:65-19-156.

At this point, does not have nexus in any states other than California. However, this may change if we hire canvassing sales personnel."

This response applies only to the circumstances set out in your request of October 25, 2005. 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