

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR



PHONE (405) 521-3133
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November 1, 2010

Re: LR-10-097; Sales Tax Inquiry

Dear

I am writing in response to your request regarding the sales and use tax treatment of maintenance contracts sold with electronically delivered software. Set forth are the facts presented along with the question posed and the response thereto.

Facts

The [maintenance] contract is optional, provides upgrade and support services and one fee for support services is separately stated. All software is delivered electronically.

Question:

If a maintenance contract is sold with electronically delivered software, is the contract taxable?

Response:

No, an optional maintenance contract that only provides updates or upgrades delivered electronically, by means other than tangible storage media, is not subject to sales/use tax in Oklahoma.

This response applies only to the circumstances discussed in your request of June 10, 2010. Pursuant to Oklahoma Administrative Code 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.

Sincerely,

OKLAHOMA TAX COMMISSION

A handwritten signature in cursive script that reads "Marc Morrison".

Marc Morrison
Tax Policy Analyst

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IT IS OUR MISSION TO SERVE THE PEOPLE OF OKLAHOMA BY PROMOTING TAX COMPLIANCE THROUGH QUALITY SERVICE AND FAIR ADMINISTRATION