

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
DAWN CASH, DIRECTOR

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



October 28, 2010

Re: LR-10-122; Sales Tax Inquiry

Dear

I am writing this response to your request regarding the sales tax treatment of subscription fees. Set forth verbatim are the facts presented along with the question posed and the response thereto.

Facts:

We offer an auto repair software to the automotive service industry. The product is available in a disk based format and is accessible online. For the online version, customers do not need anything other than an internet connection and password. There are no physical goods shipped to the customer. The information resides on servers in TN and CA. Customers log into the application and access vehicle repair information using a search hierarchy of year, make, model, engine, etc. to help diagnose the vehicle problem. Customers pay a subscription fee to access this online information.

Question:

Is this online subscription fee taxable in your state?

Response:

Subscription fees for online vehicle repair information which do not involve the transfer of tangible personal property are not subject to sales/use tax in Oklahoma.

This response applies only to the circumstances discussed in your written request of July 26, 2010. 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 there has been no change in applicable law.

Sincerely,

OKLAHOMA TAX COMMISSION

A handwritten signature in cursive script, appearing to read "Marc Morrison".

Marc Morrison
Tax Policy Analyst

2501 NORTH LINCOLN BOULEVARD • OKLAHOMA CITY • OKLAHOMA 73194

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