OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

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July 11, 2011

Re: LR-11-072

Dear

This is in response to your request for a determination regarding the taxability of cloud based streaming video service. Set forth verbatim are the facts presented in your correspondence of June 6, 2011 along with the questions posed and our response thereto.

FACTS

is a retailer of dental supplies and equipment with nexus in your state.

We sell the line of informational DVD presentations used to help a dentist explain a particular procedure to their patients. is coming out with a new product line for which the presentations will be hosted by as a cloud based streaming video service.

The service will be sold to a dental practice, with the price based on the number of simultaneous connections allowed. The dentist's patients will view the presentation at the dentist's office. There will not be a way to save or copy the presentation; they will only be able to be viewed as streaming video.

We are requesting a ruling on exactly how this product should be defined. Is this simply streaming video similar to renting a movie, is it an online information service or is it an online training class.

RESPONSE

Sales of the described cloud based streaming video service are not one of the enumerated transactions subject to sales tax under Section 1354 of Title 68 of the Oklahoma Statutes.

This response applies only to the circumstances discussed in your request of June 6, 2011. Pursuant to Oklahoma Administrative Code 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

Brenda J. Sullivan
Tax Policy Analyst