

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

PHONE (405) 521-3133
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July 5, 2005

Via email to

Re: Our File Number LR-05-039; Sales tax on the sale of software maintenance agreements

Dear

This is in response to your inquiry concerning the sale of software maintenance agreements where the upgrades to the software delivered in connection with the maintenance agreement are delivered in an electronic format.

In the circumstances given in your letter, providing that the software is not delivered via tangible software media nor is it taken to your customer's location by your employees or agents for loading on your customers computers, (also known as "load and leave"), no sales tax is due on the charge for the software maintenance providing that the charge for the maintenance agreement is separately stated on the bill or invoice given to the customer and providing that the purchase of the software maintenance agreement was optional.

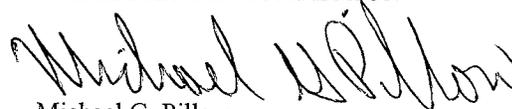
Unofficial copies of the Oklahoma Tax Commission rules referenced herein may be viewed at the following website by entering the rule number as the search term:

www.oar.state.ok.us/oar/codedoc02.nsf

This response applies only to the circumstances set out in your request of February 24, 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,
OKLAHOMA TAX COMMISSION



Michael G. Pillow
Tax Policy Analyst