



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

April 13, 2012

Account ID: [REDACTED]
Federal ID: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: Private Letter Ruling Request

Dear Ms. [REDACTED]

In your August 31, 2010 letter you stated that your firm is "entering into an Enterprise Subscription Agreement with [REDACTED] to purchase [REDACTED] [REDACTED] [REDACTED] for the entire corporation. This will be installed on our server and the entire company will use this software. In regards to G.S. 105-164.13(43a) a, can we use this ruling to apply to other similar software we purchase?" We are in receipt of your letter dated September 21, 2010 along with the copy of the [REDACTED] [REDACTED] [REDACTED] [REDACTED] ("Agreement") signed September 13, 2010 between [REDACTED] and [REDACTED].

G.S. 105-164.13(43a) a. provides an exemption for computer software that is designed to run on an enterprise server operating system. The Department stated in its Important Notice: Computer software, issued February 2010 and available on the Department's website that the "exemption includes a purchase or license of computer software for high-volume, simultaneous use on multiple computers, that is housed or maintained on an enterprise server or end users' computers. The exemption includes software designed to run a computer system, an operating program, or application software."

Based on the Agreement provided, the customer purchased a [REDACTED] [REDACTED] Subscription for 700 operating licenses. It is our opinion that the transactions under this agreement would be exempt from sales and use tax. Your firm should issue Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption and check "other" under "Reason for Exemption" and indicate G.S. 105-164.13(43a) a – Enterprise Server Operating System Software as the explanation to support your company's purchases of qualifying software exempt from tax.

This opinion does not apply to other software you might purchase; however, we believe that your review of the Important Notice would be beneficial. If we can be of further assistance, please advise.

Very truly yours,

[REDACTED]
Administration Officer
Sales and Use Tax Division

[REDACTED]
cc: [REDACTED], Director of Sales Tax
[REDACTED], Assistant Director of Sales Tax