April 13, 2012

Account ID: 
Federal ID: 

Re: Private Letter Ruling Request

Dear Ms.,

In your August 31, 2010 letter you stated that your firm is “entering into an Enterprise Subscription Agreement with [client] to purchase [[software description]] 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 [Agreement] signed September 13, 2010 between [client] and [provider].

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 [[subscription type]] 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,

[Signature]
Administration Officer
Sales and Use Tax Division

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