



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

February 16, 2011

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

[REDACTED]
[REDACTED]
[REDACTED]

Attention: [REDACTED]
Director of Finance & Administration

Re: Private Letter Ruling

Dear Mr. [REDACTED]

We have your letter dated February 5, 2010 in which you have requested a private letter ruling on the interpretation of the first exemption in G.S. 105-164.13(43a).

It is our understanding that you are seeking written assurance that software designed to work on any [REDACTED] server platform will qualify for the exemption. Otherwise you will be forced to take a "safe" approach and assume that only those products designed to run on the "Enterprise" version of [REDACTED] servers will qualify for the exemption.

The exemption under G.S. 105-164.13(43a) is not limited to only the [REDACTED] server version entitled [REDACTED]. The exemption is intended for software that will support a number of concurrent users. If software is capable of running on both single PC or a server then it would not qualify for the exemption.

As to your question of will all software designed to work on any [REDACTED] server platform qualify for the exemption, I am not able to give you a blanket yes or no answer to this question. The specification for each version must be reviewed to determine if it would qualify for the exemption. If you would like to submit more detailed information concerning a specific version of software, a determination can be made as to the exempt status of the software.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

Very truly yours,

[REDACTED]
Administration Officer
Sales and Use Tax Division

[REDACTED]
cc: [REDACTED], Director of Sales and Use Tax Division
[REDACTED], Assistant Director of Sales and Use Tax Division