



## North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

March 30, 2012

Account ID: [REDACTED]  
FEIN: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Dear Mr. [REDACTED]

We have your letter dated December 22, 2011, in which you request a ruling from the Department regarding your firm's North Carolina sales and use tax liability on its purchase of software.

You advised that your firm has purchased [REDACTED] enterprise resource management software ("ERP software") for use in this State. [REDACTED]

[REDACTED]. "The ERP software was downloaded electronically to [your firm's] enterprise servers located in North Carolina. [Your firm] has purchased licenses for each laptop or desktop computer which will access the ERP software by means of a Graphical User Interface ("GUI"). The GUI allows multiple users to simultaneously access and use the software by extracting the information retained on the enterprise servers to an individual workstation."

Effective January 1, 2010, pursuant to N.C. Gen. Stat. § 105-164.13(43a), the sale at retail and the use, storage, or consumption of computer software designed to run on an enterprise server operating system is exempt from sales and use tax. In the "Important Notice: Computer Software" issued in February of 2010, we advised that "[a] sale of computer software that is designed to run on an enterprise server operating system is exempt from sales and use tax. 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. The delivery method of the computer software is irrelevant."

Prior to January 1, 2010, computer software delivered electronically or delivered by load and leave was exempt from sales and use tax pursuant to G.S. 105-164.13(43a).

Based on the information you have provided, [REDACTED] ERP software your firm purchased on or after January 1, 2010 to house and maintain on its enterprise servers located in this State is exempt from sales and use tax under the provisions of N.C. Gen. Stat. § 105-164.13(43a).

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.

If you have any questions, you may reach me at the number listed below.

Very truly yours,

[REDACTED]  
Administration Officer  
Sales and Use Tax Division

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