



North Carolina Department of Revenue

Pat McCrory
Governor

Lyons Gray
Secretary

April 30, 2013

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

Re: Request for Private Letter Ruling

Dear Mr. [REDACTED]

Your letter of November 12, 2010 was originally submitted under the name "[REDACTED]" but we understand the actual company requesting the ruling is [REDACTED], on behalf of its subsidiary, [REDACTED]. You requested a private letter ruling regarding the application of North Carolina sales and use tax on business transactions of [REDACTED] ("[REDACTED]"). Please accept our apology for the delay in responding to your request. We did not find evidence that [REDACTED] is currently registered in North Carolina for sales and use tax purposes and we were unable to determine the federal employment identification number as well.

It is our understanding that [REDACTED] is located in [REDACTED] and "[t]he company gathers information throughout the world [REDACTED] related to real estate. The information is stored on servers also located exclusively in [REDACTED]. The information will be historical, actual, and forecasted [REDACTED] real property." It is our further understanding that "[t]he client through a license agreement is allowed to access the data through their area of the website located on [your] servers. The client can obtain the information in a variety of formats including excel, word, and .pdf. Once [the clients] obtain the information, they can then input their own information and generate reports based on the personalized information and data."

You asked "would the service provided by considered computer software as defined in [N. C. Gen. Stat. §] 105-164.3(4c)? And thus taxable as computer software?" You also asked "would the service provided by considered an information services (sic) as defined in [N.C. Gen. Stat. §] 105-164.3(14a)? And thus not be taxable?"

N.C. Gen. Stat. § 105-164.3(4c) defines "computer software" as "[a] set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task." N.C. Gen. Stat. § 105-164.3(14a) defines an "information service" as "a service that generates, acquires, stores, processes, or retrieves data and information and delivers it electronically to or allows electronic access by a consumer whose primary purpose for using the service is to obtain the processed data or information."

Based on review of the correspondence and documentation supplied for our review, the licensing transactions provided by ██████████ constitute a license to access information services and are not subject to North Carolina sales and use tax, pursuant to the provisions of N.C. Gen. Stat. § 105-164.4(6b).

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 factual 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 contact me at the telephone number listed below.

Sincerely,

██████████, Director - Sales and Use Tax Division