OKLAHOMA
Tax Commission

TAX POLICY DIVISION
9/8/2026

RE: LR-26-012 Request regarding Oklahoma sales and use tax

Dear

This letter is in response to your request of August 20, 2026, concerning the taxability of SaaS subscriptions.

Facts as Presented

Business Activity

TAXPAYER develops and provides a web-based software platform designed to assist governmental entities and other organizations with managing and tracking surplus property throughout the surplus disposition and sales process. The platform may be used to maintain information concerning surplus assets, track status, maintain associated records and photographs, prepare property for disposition or sale, and maintain information concerning disposition outcomes. TAXPAYER does not provide custom computer software tailored separately to each customer's specifications; rather, TAXPAYER provides a standardized, hosted software platform used by all customers.

Delivery and Access to Software

TAXPAYER is provided as a hosted, web-based service. Customers access the platform remotely through an Internet connection using a compatible web browser or application.

- TAXPAYER hosts and maintains the software and associated services.
- Customers receive authorized access to the hosted platform.
- No software is delivered on a CD, DVD, USB drive, or other tangible storage medium.
- No tangible storage medium containing TAXPAYER software is transferred to customers.
- Customers do not obtain ownership of the underlying TAXPAYER software.
- Customers generally pay for continued access through a monthly or annual subscription.
- TAXPAYER may provide implementation, configuration, customer support, and training associated with use of the platform.
- TAXPAYER may serve Oklahoma municipalities, counties, other governmental entities, and nongovernmental organizations.

This request concerns the hosted software and related services described above. It does not request a determination concerning any future sale by TAXPAYER of tangible personal property such as computers, tablets, printers, scanners, physical labels, or other hardware.

Applicable Law

In Oklahoma, sales tax is levied on the gross receipts from the sale of tangible personal property, certain services and other transactions as specified in Section 1354 of Title 68 of the Oklahoma Sales Tax Code. Tangible personal property is defined to mean "personal property that can be seen, weighed, measured, felt, or touched or that is in any other manner perceptible to the senses ... [and] includes electricity, water, gas, steam and prewritten computer software." 68 O.S. § 1352. Sales of prewritten computer software that is delivered electronically are specifically exempted from the tax levied by the Oklahoma Sales Tax Code. 68 O.S. § 1357(32).

"Prewritten computer software" means "computer software", including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the purchaser. 68 O.S.§ 1352.

Every person desiring to engage in a business within this state who will regularly and continuously make sales subject to taxation from an established place of business, will make taxable seasonal sales, or make taxable sales through peddlers, solicitors or other salesmen who have no established place of business in Oklahoma must secure from the Commission every three (3) years a written sales tax permit for a fee of Twenty Dollars ($20.00) prior to engaging in such business in this state. OKLA. ADMIN. CODE § 710:65-9-1(a).

Vendors shall keep records and books of all sales and all purchases of tangible personal property. Vendors must maintain complete books and records covering receipts from all sales and distinguishing taxable from nontaxable receipts. OKLA. ADMIN. CODE § 710:65-3-30.

Questions Presented and Responses Thereto

1. **Hosted SaaS subscription.** Are monthly, annual, or other subscription charges paid by customers for remote access to TAXPAYER's hosted software platform subject to Oklahoma sales or use tax when the software is accessed through the Internet and no tangible storage medium containing the software is transferred to the customer?

Response: Sales of prewritten computer software that is delivered electronically are exempt from the tax levied by the Oklahoma Sales Tax Code.

2. **Sales tax permit.** If TAXPAYER's hosted SaaS subscription charges are not subject to Oklahoma sales or use tax, is TAXPAYER required to obtain an Oklahoma sales tax permit solely because it sells the hosted subscriptions described in this request?

Response: Provided TAXPAYER is not making sales subject to taxation in Oklahoma, they are not required to obtain a sales tax permit.

3. **Implementation and configuration.** Are separately stated charges for implementation, account

configuration, data configuration, or similar services associated with establishing a customer's use of the hosted TAXPAYER platform subject to Oklahoma sales or use tax?

Response: Sales of prewritten computer software that is delivered electronically, along with any services associated with the sale, are exempt from the tax levied by the Oklahoma Sales Tax Code.

4. **Training and support.** Are separately stated charges for customer training or support associated with the hosted TAXPAYER platform subject to Oklahoma sales or use tax when no taxable tangible personal property is provided as part of those services?

Response: Sales of prewritten computer software that is delivered electronically, along with any services associated with the sale, are exempt from the tax levied by the Oklahoma Sales Tax Code.

5. **Oklahoma governmental customers.** When TAXPAYER provides the described services directly to an Oklahoma municipality, county, state agency, or other qualifying governmental entity, is the transaction exempt from Oklahoma sales and use tax, and what exemption documentation should TAXPAYER obtain and retain to substantiate the customer's exempt status?

Response: Sales of prewritten computer software that is delivered electronically, along with any services associated with the sale, are exempt from the tax levied by the Oklahoma Sales Tax Code.

6. **Recordkeeping.** What records or documentation should TAXPAYER maintain to substantiate the sales and use tax treatment determined by the Commission for the transactions described above?

Response: TAXPAYER should keep complete books and records of all sales and purchases, not just taxable transactions. Records must cover receipts from *all* sales and clearly distinguish taxable receipts from nontaxable receipts.

This response applies only to the circumstances discussed in your request of August 20, 2026. Pursuant to OKLA. ADMIN. CODE §710:1-3-73(e), this Letter Ruling may be generally relied upon only by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and there has been no change in applicable law. Further, this Letter Ruling is a general statement of the law as it relates to your questions and may not be relied upon in relation to any previous audits or protests related thereto.

Sincerely,
OKLAHOMA TAX COMMISSION

Marc Morrison

Marc Morrison
Tax Policy Analyst
Tax Policy and Research Division