

A motion by Tennessee to amend the Product Definitions in Appendix C, Part II of the Library of Definitions of the SSUTA relating to the definition of computer software maintenance contract:

Appendix C

PART II

LIBRARY OF DEFINITIONS

Product Definitions

Software Maintenance Contract Definitions:

A “**computer software maintenance contract**” is a contract that obligates a vendor of computer software to provide a customer with future updates or upgrades to computer software, support services with respect to computer software or both.

A “**mandatory computer software maintenance contract**” is a computer software maintenance contract that the customer is obligated by contract to purchase as a condition to the retail sale of computer software.

An “**optional computer software maintenance contract**” is a computer software maintenance contract that the customer is not obligated to purchase as a condition to the retail sale of computer software.

A member state may limit the definition of “computer software maintenance contract” to one or more of the following:

1. Software maintenance contracts with respect to prewritten computer software;
2. Optional computer software maintenance contracts;
3. Mandatory computer software maintenance contracts;
4. Optional computer software maintenance contracts that do not include upgrades and updates delivered electronically, by load and leave, or both;
5. Computer software maintenance contracts that only obligate a vendor of computer software to provide a customer with future updates or upgrades to computer software;
6. Computer software maintenance contracts that only obligate a vendor of computer software to provide a customer with support services with respect to computer software.

For purposes of imposing tax, a member state may apply the definition of “computer software maintenance contract” to a contract that obligates a vendor of computer software or to a contract that obligates a person to provide a customer with future updates or upgrades to computer software, support services with respect to computer software or both.