

## Sales Tax on Digital Goods as of Sept. 5, 2012

This chart indicates whether sales of digital products transferred electronically, including downloaded music, videos, and books, are subject to tax.

Jurisdiction	Digital Products	Comment	Citation
Alabama	Taxable		Alabama Code §40-23-1 Ala. Admin. Code r. 810-6-1-.37 Unofficial Department guidance
Arizona	Taxable		Ariz. Admin. Code R15-5-154 Unofficial Department guidance
Arkansas	Exempt	Certain subscriptions for broadcasting services sold in digital format are taxable.	Arkansas Taxability Matrix
California	Exempt		SBE Publication 109
Colorado	Exempt		Colo. Rev. Stat. §39-26-102(15), C.R.S. Unofficial Department guidance
Connecticut	Taxable	Taxed at reduced rate applicable to computer and data processing services.	Conn. Gen. Stat. §12-408(1) Conn. Agencies Regs. §12-426-27
District of Columbia	Taxable		D.C. Code Ann. §47-2001(n), (q)
Florida	Exempt		Fla. Admin. Code Ann. r. 12A-1.062
Georgia	Exempt		Ga. Comp. R. & r 560-12-2-.111(4) Unofficial Department guidance
Hawaii	Taxable		Haw. Rev. Stat. §237-13 Unofficial Department guidance
Idaho	Taxable		Idaho Code §63-3616 IDAPA 35.01.02.027.01
Illinois	Exempt		86 Ill. Admin. Code tit. 86, §130.2105
Indiana	Taxable	Taxable if seller grants end user a right of permanent use that is not conditioned upon continued payment by the purchaser.	Ind. Code §6-2.5-4-16
Iowa	Exempt		Iowa Code §423.3(67) Iowa Admin. Code r. 701-18.61
Kansas	Exempt		Private Letter Ruling No. P-2007-006 Kansas Taxability Matrix
Kentucky	Taxable		Ky. Rev. Stat. Ann. §139.010 Kentucky Sales Tax Facts, Vol. 6, No. 1
Louisiana	Taxable	Transactions in which the customer pays an access fee or subscription fee to obtain the use but not ownership of a website or software are not taxable.	La. Rev. Stat. Ann. §47:301(16)(a) La. Admin. Code tit. 61, §4301(C) Revenue Information Bulletin No. 10-028 Revenue Information Bulletin No. 11-005 Revenue Information Bulletin No. 11-010
Maine	Taxable		Sales and Use Tax Instructional Bulletin No. 3
Maryland	Exempt		Md. Code Ann. §11-101 Unofficial Department guidance
Massachusetts	Exempt		Technical Information Release 05-8
Michigan	Exempt		Michigan Taxability Matrix
Minnesota	Exempt		Minnesota Taxability Matrix
Mississippi	Taxable		Miss. Code. Ann. §27-65-26
Missouri	Exempt		Mo. Rev. Stat. §144.010 Mo. Rev. Stat. §144.020 Unofficial Department guidance
Nebraska	Taxable		Neb. Rev. Stat. §77-2701.16(9) Revenue Ruling 01-11-03
Nevada	Exempt		Nevada Taxability Matrix
New Jersey	Taxable	New Jersey imposes tax on specified digital products. "Specified digital product" means an electronically transferred digital audio-visual work, digital audio work, or digital book; provided however, that a digital code which provides a purchaser with a right to obtain the product shall be treated in the same manner as a specified digital product. Specified digital products are subject to tax regardless of whether the sale of the product is for permanent or less than permanent use and regardless of whether continued payment is required.  Exemptions are provided for: specified digital products that are accessed but not delivered electronically; video programming services, including video on demand television services; and for broadcasting services, including content to provide such services.	N.J. Stat. Ann. §54:32B-3(a) N.J. Stat. Ann. §54:32B-2(zz)  N.J. Stat. Ann. §54:32B-8.61 N.J. Stat. Ann. §54:32B-8.62  Publication ANJ 27
New Mexico	Taxable		N.M. Stat. Ann. §7-9-3.5 Unofficial Department guidance
New York	Exempt	E-books do not constitute taxable information services if they satisfy the following criteria: (1) the purchase of the product does not entitle the customer to additional goods and services and any revisions done to the e-book are for the limited purpose of correcting errors; (2) the product is provided as a single download; (3) the product is advertised or marketed as an e-book or a similar term; (4) if the intended or customary use of the product requires that it be updated or that a new or revised edition be issued from time to time (i.e., an almanac), the updates or the new or revised editions are not issued more frequently than annually; and (5) the product is not designed to work with software other than the software necessary to make the e-book legible on a reading device (e.g., Kindle, Nook, iPad, iPhone or personal computer).  Effective March 1, 2012, electronic news services and electronic periodicals will be exempt.	TSB-M-11(5)S TSB-A-08(63)S  TSB-A-07(16)S TSB-A-07(14)S N.Y. Tax Law, §1115(gg) TSB-M-12(1)S
North Carolina	Taxable	Effective January 1, 2010, the general rate applies to digital property, as specified.	North Carolina Taxability Matrix N.C. Gen. Stat. §105-164.4(a)(6b)
North Dakota	Exempt		North Dakota Taxability Matrix
Ohio	Exempt	Digital products that fall within definitions of "electronic information services" or "electronic publishing" are taxable when sold for use in a business.	Ohio Rev. Code Ann. §5739.01(B)(3)(e) Ohio Rev. Code Ann. §5739.01(Y)(1)(c) Ohio Rev. Code Ann. §5739.01(L)(L)(L) Unofficial Department guidance
Oklahoma	Exempt		Oklahoma Taxability Matrix
Pennsylvania	Exempt		Unofficial Department guidance
Rhode Island	Exempt		R.I. Code R. SU 11-25
South Carolina	Exempt		Revenue Ruling 05-13 Unofficial Department guidance
South Dakota	Taxable		Ch. 51 (H.B. 1017) South Dakota Taxability Matrix
Tennessee	Taxable	Exempt if tangible equivalent is exempt.	Tenn. Code. Ann. §67-6-233
Texas	Taxable		Tex. Tax Code Ann. §151.010
Utah	Taxable		Utah Code Ann. §59-12-103(1)(m)
Vermont	Taxable		Vt. Stat. Ann. tit. 32, §9771(8) Technical Bulletin TB-54
Virginia	Exempt		Va. Code. Ann. §58.1-648(C) Va. Code. Ann. §58.1-609.5(1) Ruling of Commissioner, P.D. 08-43 Ruling of Commissioner, P.D. 08-196
Washington	Taxable	Digital goods that are streamed or remotely accessed are also taxable.  Digital goods include photographs transferred electronically to the end user.	Washington Taxability Matrix Wash. Rev. Code §82.12.010  Special Notice: Digital Products
West Virginia	Exempt		West Virginia Taxability Matrix
Wisconsin	Taxable	"additional digital goods." Digital goods that would be exempt if sold in tangible form are exempt.	Wis. Stat. §77.51(1a) and (17x) Wis. Stat. §77.52(1)(d) Wis. Stat. §77.54(50)
Wyoming	Taxable		Wyoming Taxability Matrix

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