

### Introduction Digital Goods

Digital Goods:  
 Online data processing services.  
 Downloaded software.  
 Downloaded books, e.g. eBooks & Kindle.  
 Downloaded music, digital audio files e.g. iTunes & podcasts.  
 Downloaded movies or digital video, e.g Netflix & Amazon Prime.  
 Other downloaded electronic goods.

### Sales Tax on Digital Sales 2/2018

State	Tax	Notes
Alabama	YES	Digital downloads are generally considered tangible personal property and are taxable at the same rate as other tangible personal property.
Alaska	NO	No sales tax in the state.
Arizona	YES	Digital downloads are generally considered tangible personal property and are subject to gross receipts tax.
Arkansas	NO	Digital subscriptions are also tax exempt. Changing to taxable in 2018.
California	NO	If you provide a physical copy or physical storage then the sale is taxable.
Colorado	YES	Electronic delivery of "legal publication" newspapers are exempt, since physical copies of those same newspapers are exempt.
Connecticut	YES	Sales or purchases of 'digital downloads' from the Internet are taxed at a reduced rate of 1%.
Delaware	NO	No sales tax in the state.
Florida	NO	If the item is sold with tangible personal property then the entire sale would most likely be subject to Florida sales tax.
Georgia	NO	No sales tax in the state.
Hawaii	YES	Digital products are taxable in Hawaii.
Idaho	YES	Taxable if permanent right to use, Tax-exempt if leasing or renting the product.
Illinois	NO	Digital products are tax exempt in Illinois.

### Sales Tax on Digital Sales 2/2018 (cont)

Indiana	YES	Includes audio works, audio visual works and books.
Iowa	NO	No sales tax in the state.
Kansas	NO	No sales tax in the state.
Kentucky	YES	Considered tangible personal property.
Louisiana	YES	Digital products are taxable in Louisiana.
Maine	YES	Digital products are taxable in Maine.
Maryland	NO	Maryland does not expressly state whether digital products are taxable or non-taxable, so it is generally assumed they are tax exempt.
Massachusetts	NO	No sales tax in the state.
Michigan	NO	No sales tax in the state.
Minnesota	YES	Considered tangible personal property. Student digital textbooks and instructional materials are exempt.
Mississippi	YES	Digital products are taxable in Mississippi.
Missouri	NO	No sales tax in the state.
Montana	NO	No sales tax in the state.

### Continued

State	Tax	Notes
Nebraska	YES	Digital products and digital codes to access such products are also taxable.
Nevada	NO	Also includes audio-visual works, for both temporary and permanent sales.
New Hampshire	NO	No sales tax in the state.
New Jersey	NO	Includes digital audio-visual works like movies, audio works like music and ringtones and digital books.
New Mexico	YES	Digital products are taxable in New Mexico. Most transactions are subject to New Mexico's gross receipts tax (the state's version of sales tax).
New York	NO	However, there are some exceptions to ebooks.

### Continued (cont)

North Carolina	YES	Digital audio works, audiovisual works, books, magazines, newspapers, newsletters, reports or other publications, photographs or greeting cards delivered electronically are all considered tangible personal property.
North Dakota	NO	No sales tax in the state.
Ohio	YES	Digital audiovisual work, digital audio work and digital books are taxable.
Oklahoma	NO	No sales tax in the state.
Oregon	NO	No sales tax in the state.
Pennsylvania	YES	Photos, books, games and other downloads are taxable.
Rhode Island	NO	No sales tax in the state.
South Carolina	NO	No sales tax in the state.
South Dakota	YES	Digital products are tax exempt in South Carolina.
Tennessee	YES	Digital products are tax exempt in Tennessee.
Texas	YES	Taxable as long as the item also taxable if sold in physical format.
Utah	YES	Digital products are taxable in Utah.
Vermont	YES	Digital products are taxable in Vermont, whether transferred electronically for permanent or temporary use.
Virginia	NO	No sales tax in the state.
Washington	YES	Digital products are taxable in Washington. This includes downloaded digital goods like music and movies, streamed and accessed digital goods, and digital automated services.
West Virginia	NO	No sales tax in the state.
Wisconsin	YES	Digital goods are taxable in Wisconsin. This includes audio works, audiovisual works, books and codes used to purchase works (digital or physical) by digital means.
Wyoming	YES	Digital products are taxable in Wyoming. This includes digital audio works, audio visual works and books.