

Quick Reference Chart – Taxability of IT Consumer Services

Purchases of these items are always subject to sales or use tax

1. Computer hardware
2. Prewritten computer software and applications
3. Prewritten computer software upgrades, updates, patches, keys, etc.
4. Routine installation of prewritten software
5. Computer systems
6. Repair or maintenance of computer systems or hardware or network
7. Downloaded, streamed, or accessed digital goods (music, movies, etc.)
8. Remote access software
9. Digital automated services

Purchases of these standalone items are not subject to sales or use tax, unless they are purchased in conjunction with computer hardware, pre-written computer software, or a computer system

1. Feasibility studies
2. Needs assessment—including consultation with the user as to needs and requirements
3. Development of project definition and scope requirements
4. Business and technology planning
5. Acquisition planning and technology assessment
6. Project management
7. System development and implementation, integration, and migration
8. Design, and implementation
9. Quality assurance services
10. Disaster recovery planning
11. System architecture (analysis and design of complex business and technology requirements)
12. Business process re-engineering
13. Performance assessment
14. Technical writing
15. Assisting with network operations and support
16. Technology support including: troubleshooting, basic analysis, hardware and software technical support (not repairs) and production services support
17. Security services
18. Testing system and components
19. Operation of a physical plant
20. Assistance with production turnover

Purchases of these items are not subject to sales or use tax when separately itemized

1. Helpdesk services
2. Custom software and services rendered to custom software
3. Customization of prewritten computer software after installation of the software
4. IT Multimedia services, when supplied by or through DIS, including but not limited to video production, satellite broadcasting, video digitizing, and webcasting
5. Internet programming services and website maintenance and hosting
6. Standard IT training related to hardware or software in use by an agency when separately itemized in the agreement.
7. Network system support services
8. Routine programming (code writing)
9. Data entry services
10. Language and software conversion
11. Data processing services (check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities)