

Sales Tax on Software and Digital Products

Wisconsin



Item Service	Taxability	Notes & Legal Reference
Digital Audio Visual Works	Taxable	Sales of digital audio visual works for permanent or temporary use are subject to tax. This applies to specified and additional digital goods unless their tangible equivalents are exempt. Wis. Tax Publication No. 240 (Dept. of Revenue Jan. 1, 2025)
Software as a Service (SaaS)	Non-Taxable	SaaS is not taxable if the software is hosted on the seller's servers and the buyer does not have control or access to the infrastructure. Sales and Use Tax Treatment - Computer Hardware, Software, Services, Wis. Dept. Rev., 02/20/2020
Platform as a Service (PaaS)	Non-Taxable	PaaS follows the same treatment as SaaS. Remote access without control or possession of the software or server is considered non-taxable. Sales and Use Tax Treatment - Computer Hardware, Software, Services, Wis. Dept. Rev., 02/20/2020
Prewritten Software Installation	Taxable	Charges for installing prewritten software are subject to sales and use tax. Sales and Use Tax Treatment - Computer Hardware, Software, Services, Wis. Dept. Rev., 02/20/2020
Hardware & Tangible Personal Property	Taxable	Sales of hardware such as computers are taxable. A manufacturing exemption may apply when the equipment is used directly in the production process. Wis. Stat. sec. 77.52
Onsite Training	Non-Taxable if Stated Separately	Training is not taxable when it is optional and separately stated on the invoice. If bundled or required for software use, tax may apply. Wis. Common Questions: Sales and Use Tax Treatment Computer - Hardware, Software, Services (Dept. of Revenue Nov. 24, 2021)
Remote Live Training	Non-Taxable if Stated Separately	Live virtual training is exempt when invoiced separately and not required as part of the taxable software. Wis. Common Questions: Sales and Use Tax Treatment Computer - Hardware, Software, Services (Dept. of Revenue Nov. 24, 2021)
Pre-recorded Training	Non-Taxable if Stated Separately	Pre-recorded training may be taxable if bundled with software or required for its use. When optional and separately stated, it is not taxable. Wis. Common Questions: Sales and Use Tax Treatment Computer - Hardware, Software, Services (Dept. of Revenue Nov. 24, 2021)
Mandatory Maintenance (Prewritten & Custom)	Taxable	Mandatory software maintenance contracts related to either prewritten or custom software are taxable regardless of delivery method. West Virginia Taxability Matrix: Library of Definitions
Optional Maintenance	Non-Taxable	Agreements tied to custom software or limited to support services are not subject to tax. [Ill. Admin. Code tit. 86, pt. 130.1935]