

State Taxation of Prewritten Computer Software by Type: Infrastructure as a Service, Platform as a Service, and Software as a Service

#	States that exempt all software*	States that tax SaaS only	States that tax PaaS and SaaS	States (& D.C.) that tax IaaS, PaaS, and SaaS
1	Arkansas	Connecticut (lower rate for business use)	New York	Alabama (custom software is taxable)
2	California	Hawaii	Pennsylvania	Arizona
3	Colorado	Iowa	South Carolina	Mississippi
4	Florida	Louisiana	South Dakota	New Mexico (all services are taxable)
5	Georgia	Maine		Massachusetts
6	Idaho	Maryland		Ohio (only business purposes)
7	Illinois	Rhode Island		Washington, D.C.
8	Indiana	Tennessee (custom software is taxable)		Washington
9	Kansas	Texas		
10	Kentucky	Utah		
11	Michigan	West Virginia		
12	Minnesota			
13	Missouri			
14	Nebraska			
15	Nevada			
16	New Jersey			
17	North Carolina			
18	North Dakota			
19	Oklahoma			
20	Vermont			
21	Virginia			
22	Wisconsin			
23	Wyoming			

NOTES

Bold Streamlined Agreement Member States

*5 states do not have a sales tax: Alaska, Delaware, Montana, New Hampshire, Oregon