



## MULTISTATE INDIRECT TAX

# Wisconsin updates guidance on sales and use tax of digital goods

## Tax Alert

### Overview

On November 30, 2021, the Wisconsin Department of Revenue (“Department”) updated [Publication No. 240](#), which provides guidance on the application of Wisconsin sales and use tax to sales and purchases of digital goods.

This Tax Alert summarizes some of the significant changes to Publication No. 240.

### Sales and use tax updates in Publication No. 240

The Department’s changes to its digital goods guidance include the following:

- Clarification that charges for access to an online database or website of information that allows the user to perform searches of the database and view and/or download the information is a taxable sale of a news or information product. Prior versions of this publication stated that such charges were not subject to tax, and that no changes have been made to the underlying statutes.
- Explanation that “other news or information products,” which are subject to Wisconsin sales and use tax as additional digital goods, are defined as products that disseminate news or information.
- Clarification that a sale may not be taxable even though a digital good is transferred to the customer (*e.g.*, a live webinar that is transferred incidental to the sale of a non-taxable educational service).
- Removal of contradictory examples that address the treatment of non-taxable goods to be consistent with the Department’s rules for taxing additional digital goods.
- Updates to the example for bundled transactions by revising the list of taxable products so that the example is consistent with the explanation that “other news or information” products are defined as products that disseminate news or information, as discussed above.

- Explanation that purchases of digital goods which are subject to the 5% state sales or use tax may also be subject to the 0.5% county sales tax. For more information, please see the Wisconsin [Sales Tax Rate Chart](#).
- Updates to include information on various other law changes including the collection requirement for out-of-state remote sellers that began on October 1, 2018; the updated economic nexus threshold for remote sellers, effective on February 20, 2021; and the elimination of the 0.1% baseball stadium district tax for sales and purchases in certain Wisconsin localities, effective April 1, 2020.

## Get in touch

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