

SaaS sales tax rates for every state (2025)

The table below summarizes the taxability of SaaS in each state according to state publications or laws. Please note that each state defines SaaS differently, and these laws are changing frequently.

States	SaaS taxability	Notes
Alabama	⊗	
Alaska	✔	Yes, SaaS is subject to sales tax as a remote sale when delivered into a jurisdiction that is a member of the Alaska Remote Sellers Sales Tax Commission.
Arizona	✔	
Arkansas	⊗	
California	⊗	
Colorado	✔	
Connecticut	✔	Yes, SaaS is taxed at different rates in Connecticut (e.g., the full state rate for personal use and a reduced rate of 1% for business use).
Delaware	⊗	
Florida	⊗	
Georgia	⊗	
Hawaii	✔	
Idaho	⊗	
Illinois	✔	Yes, only in jurisdictions with local sales tax (e.g., the city of Chicago imposes a tax on SaaS and some other digital products, with the rate increasing from 9% to 11% starting January 1, 2025).
Indiana	⊗	
Iowa	✔	Yes, but it depends on the usage (e.g., taxable for personal use, but SaaS is not taxable when used for commercial or business purposes).
Kansas	⊗	
Kentucky	✔	
Louisiana	✔	
Maine	⊗	
Maryland	✔	Yes, but it depends on usage (e.g., taxable for personal use, but not for commercial use where the SaaS software is used by multiple users and integrates with other software or computers).
Massachusetts	✔	
Michigan	⊗	
Minnesota	⊗	
Mississippi	✔	No, unless the software is stored on a server in the state, in which case it is taxable.
Missouri	⊗	
Montana	⊗	
Nebraska	✔	No, unless sales of security SaaS products are taxable in Nebraska under Nebraska Sales and Use Tax Regulation 1-101.
Nevada	⊗	
New Hampshire	⊗	
New Jersey	⊗	
New Mexico	✔	
New York	✔	
North Carolina	⊗	
North Dakota	⊗	
Ohio	✔	Yes, but it depends on usage (e.g., taxable for business use, but generally not for personal use of SaaS).
Oklahoma	⊗	
Oregon	⊗	
Pennsylvania	✔	
Rhode Island	✔	
South Carolina	✔	
South Dakota	✔	
Tennessee	✔	
Texas	✔	Yes, but at 80% of the full tax rate (with the remaining 20% exempt).
Utah	✔	
Vermont	✔	
Virginia	⊗	
Washington	✔	
West Virginia	✔	
Wisconsin	⊗	
Wyoming	⊗	