



User Name: Michael Fatale

Date and Time: Tuesday, August 1, 2023 8:08:00AM EDT

Job Number: 202560178

Document (1)

1. [Mich. Issues Guidance For Tax On Software, Digital Goods, 2023 Law360 212-166](#)

Client/Matter: -None-

Search Terms: state tax

Search Type: Natural Language

Narrowed by:

Content Type
Legal News

Narrowed by
-None-

[Mich. Issues Guidance For Tax On Software, Digital Goods, 2023 Law360
212-166](#)

July 31, 2023



Copyright © 2023 Portfolio Media, Inc. All rights reserved.

Author: Paul Williams

Summary

Michigan's **tax** agency issued guidance Monday explaining when sales and use **tax** applies to sales of software and digital goods, saying precedent allows the **state** to **tax** software that is downloaded and delivered to a user inside the **state**.

Body

Michigan's **tax** agency issued guidance Monday explaining when sales and use **tax** applies to sales of software and digital goods, saying precedent allows the **state** to **tax** software that is downloaded and delivered to a user inside the **state**.

The **state** Department of Treasury issued a bulletin incorporating law changes and court rulings since its last bulletin on the topic was released in 1999. The bulletin said the department will determine whether software can be accessed inside the **state** when deciding if **tax** can apply.

For mixed-use transactions involving both prewritten computer software and services, the department will employ an "incidental to services" test outlined in **state** precedent to ascertain if a transaction is **taxable**, the bulletin said. The test provides that if the transfer of software is incidental to the transaction, then the sale is not subject to **tax**.

The bulletin also said digital goods that aren't prewritten computer software, such as movie streams or music files, are not subject to **tax**.

--Editing by Roy LeBlanc.

End of Document