Streamlined Sales Tax Governing Board
Section 328 Taxability Matrix
Library of Definitions
(Revised May 7, 2008)

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Each of the items listed in the chart are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) adopted November 12, 2002 and as amended effective January 1, 2008. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition". If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in the Library of Definitions.

Administrative definitions	Treatment of definition		Reference
Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser.	Included in sales price	Excluded from sales price	Statute/Rule Cite
• Charges by the seller for any services necessary to complete the sale other than delivery and installation	X		A.C.A. 26-52-103(13)(A), 26-53-102(12)(A)
• Telecommunication nonrecurring charges	X		A.C.A. 26-52-103(13)(A), 26-53-102(12)(A)
• Installation charges		X	A.C.A. 26-52-103(13)(A), 26-53-102(12)(A)
• Credit for trade-in	X		A.C.A. 26-52-103(13)(A), 26-53-102(12)(A). No credit for trade-in is allowed unless specifically provided by statute, i.e. A.C.A. 26-52-510.

• Delivery charges: The following options may be excluded from the definition of delivery charges only if they are separately stated on the bill to the purchaser.	Included in sales price	Excluded from sales price	Statute/Rule Cite
• Handling, crating, packing, preparation for mailing or delivery, and similar charges	X		A.C.A. 26-52-103(6) & 26-52-103(13)(A)
• Transportation, shipping, postage, and similar charges	X		A.C.A. 26-52-103(6) & 26-52-103(13)(A)
• Delivery charges for direct mail		X	GR-10.1 and GR-11.1
Sales Tax Holidays	**Yes**	**No**	**Statute/Rule Cite**
Sales Tax Holidays: Does your state have a sales tax holiday?		X	
Indicate if your state has a sales tax holiday for the following products.			
• Energy star qualified product		X	NA
• School supply		X	NA
• School art supply		X	NA
• School instructional material		X	NA
• School computer supply		X	NA
• Computers		X	NA
• Prewritten computer software		X	NA
• Clothing		X	NA
Other defined products (please specify)		X	NA
•			
•			
Product definitions			
Clothing and related products	**Taxable**	**Exempt**	**Statute/Rule Cite**
Clothing	X		NA
Fur clothing	X		NA
Clothing accessories or equipment	X		NA
Protective equipment	X		Generally taxable as TPP unless a specific exemption applies, i.e. volunteer fire Depts. A.C.A. 26-52-434, 26-53-142, GR-31.1
Sport or recreational equipment	X		NA
Computer related products	**Taxable**	**Exempt**	**Statute/Rule Cite**
Computer	X		A.C.A. 26-52-301, 26-53-106
Computer software (both prewritten and non-prewritten)	X		A.C.A. 26-52-304, 26-53-109
Computer software (both prewritten and non-prewritten) delivered electronically		X	A.C.A. 26-52-304, 26-53-109
Computer software (both prewritten and non-prewritten) delivered via load and leave		X	A.C.A. 26-52-304, 26-53-109

Prewritten computer software	X		A.C.A. 26-52-304, 26-53-109 See Note 1.
Prewritten computer software delivered electronically		X	A.C.A. 26-52-304, 26-53-109
Prewritten computer software delivered via load and leave		X	A.C.A. 26-52-304, 26-53-109
Digital Product Definitions	**Yes**	**No**	**Statute/Rule Cite**
Products Transferred Electronically (A state imposing tax on products "transferred electronically" is not required to adopt definitions of specified digital products. Does your state impose tax on products transferred electronically?		X	
	Taxable	**Exempt**	**Statute/Rule Cite**
Specified Digital Products (with rights of permanent use)		X	NA
Specified Digital Products (with rights of less than permanent use)		X	NA
Specified Digital Products (with rights conditioned on continued payments)		X	NA
• Digital Audio Visual Works (with rights for permanent use)		X	NA
• Digital Audio Visual Works (with rights of less than permanent use)		X	NA
• Digital Audio Visual Works (with rights conditioned on continued payments)		X	NA
• Digital Audio Works (with rights for permanent use)		X	NA
• Digital Audio Works (with rights of less than permanent use)		X	NA
• Digital Audio Works (with rights conditioned on continued payments)		X	NA
• Digital Books (with rights for permanent use)		X	NA
• Digital Books (with rights of less than permanent use)		X	NA
• Digital Books (with rights conditioned on continued payments)		X	NA
Section 332H provides states may have product based exemptions for specific items within specified digital products. List product based exemptions for specific items included in specified digital products.	**Taxable**	**Exempt**	**Statute/Rule Cite**
•			NA
•			NA
•			NA
Food and food products	**Taxable**	**Exempt**	**Statute/Rule Cite**
Food and food ingredients excluding alcoholic beverages and tobacco	X		A.C.A. 26-52-103(12), 26-52-317, 26-53-102(5)
Candy	X		NA
Dietary Supplements	X		A.C.A. 26-52-103(10), 26-52-317, 26-53-102(3)
Soft Drinks	X		NA
Food sold through vending machines		X	NA - TPP sold through a vending device are administered separately, i.e. A.C.A. 26-57-1001 et seq.
Prepared Food	X		A.C.A. 26-52-103(16), 26-52-

			317, 26-53-102(8)
Prepared food options - indicate whether the following options are included or excluded from the definition of prepared food. Options excluded from prepared food are taxed the same as food and food ingredients.	**Included in definition**	**Excluded from definition**	**Statute/Rule Cite**
• Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)	X		A.C.A. 26-52-103(16), 26-52-317, 26-53-102(8)
• Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	X		A.C.A. 26-52-103(16), 26-52-317, 26-53-102(8)
• Bakery items sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas	X		A.C.A. 26-52-103(16), 26-52-317, 26-53-102(8)
Health-care products	**Taxable**	**Exempt**	**Statute/Rule Cite**
Drugs (indicate how the options are treated in your state)			
• Drugs (both human and animal use) without a prescription	X		A.C.A. 26-52-406, GR-38 Limited exemption for livestock and poultry. A.C.A. 26-52-404, 26-52-405
• Drugs (both human and animal use) with a prescription	X		A.C.A. 26-52-406, GR-38 Only prescription drugs for human use are exempt. Limited exemption for livestock and poultry. A.C.A. 26-52-404, 26-52-405
• Drugs for human use without a prescription	X		A.C.A. 26-52-406, GR-38
• Drugs for human use with a prescription		X	A.C.A. 26-52-406, GR-38 Does not apply to drugs available without a prescription.
• Insulin (both human and animal use) without a prescription	X		Only insulin for human use is exempt. A.C.A. 26-52-419
• Insulin (both human and animal use) with a prescription	X		Only insulin for human use is exempt. A.C.A. 26-52-419
• Insulin for human use without a prescription		X	A.C.A. 26-52-419
• Insulin for human use with a prescription		X	A.C.A. 26-52-419
• Medical oxygen (both human and animal use) without a prescription	X		A.C.A. 26-52-406
• Medical oxygen (both human and animal use) with a prescription	X		Only oxygen for human use is exempt. A.C.A. 26-52-406
• Medical oxygen for human use without a prescription	X		A.C.A 26-52-406
• Medical oxygen for human use with a prescription		X	A.C.A 26-52-406
• Over-the-counter drugs (both human and animal use)without a prescription	X		NA
• Over-the-counter drugs (both human and animal use) with a prescription	X		NA

• Over-the-counter drugs for human use without a prescription	X		NA
• Over-the-counter drugs for human use with a prescription	X		NA
• Grooming and hygiene products (both human and animal use)	X		NA
• Grooming and hygiene products for human use	X		NA
• Drugs for human use to hospitals and other medical facilities	X		A.C.A. 26-52-406, GR-38
• Prescription drugs for human use to hospitals and other medical facilities		X	A.C.A. 26-52-406, GR-38
• Drugs for animal use to veterinary hospitals and other animal medical facilities	X		A.C.A. 26-52-406, GR-38
• Prescription drugs for animal use to hospitals and other animal medical facilities	X		A.C.A. 26-52-406, GR-38
• Taxable and nontaxable drugs bundled together			See Note 3.
• Free samples of drugs for human use	X		A.C.A. 26-52-406, GR-38
• Free samples of prescription drugs for human use		X	A.C.A. 26-52-406, GR-38
• Free samples of drugs for animal use	X		A.C.A. 26-52-406, GR-38
• Free samples of prescription drugs for animal use	X		A.C.A. 26-52-406, GR-38
Durable medical equipment (indicate how the options are treated in your state)	**Taxable**	**Exempt**	**Statute/Rule Cite**
• Durable medical equipment without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Durable medical equipment with a prescription	X		A.C.A. 26-52-433, 26-53-141
• Durable medical equipment paid for by Medicare		X	A.C.A. 26-52-401(20)
• Durable medical equipment reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Durable medical equipment paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Durable medical equipment reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Durable medical equipment for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Durable medical equipment for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Durable medical equipment for home use paid for by Medicare		X	A.C.A. 26-52-401(20)
• Durable medical equipment for home use reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Durable medical equipment for home use paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Durable medical equipment for home use reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Oxygen delivery equipment with a prescription	X		A.C.A. 26-52-433, 26-53-141
• Oxygen delivery equipment paid for by Medicare		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Oxygen delivery equipment for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Oxygen delivery equipment for home use paid for by Medicare		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment for home use reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment for home use paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Oxygen delivery equipment for home use reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Kidney dialysis equipment with a prescription	X		A.C.A. 26-52-433, 26-53-141

• Kidney dialysis equipment paid for by Medicare		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Kidney dialysis equipment for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Kidney dialysis equipment for home use paid for by Medicare		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment for home use reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment for home use paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Kidney dialysis equipment for home use reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Enteral feeding systems without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Enteral feeding systems with a prescription	X		A.C.A. 26-52-433, 26-53-141
• Enteral feeding systems paid for by Medicare		X	A.C.A. 26-52-401(20)
• Enteral feeding systems reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Enteral feeding systems paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Enteral feeding systems reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Enteral feeding systems for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Enteral feeding systems for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Enteral feeding systems for home use paid for by Medicare		X	A.C.A. 26-52-401(20)
• Enteral feeding systems for home use reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Enteral feeding systems for home use paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Enteral feeding systems for home use reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Repair and replacement parts which are for single patient use		X	A.C.A. 26-52-433, 26-53-141
Mobility enhancing equipment (indicate how the options are treated in your state)	**Taxable**	**Exempt**	**Statue/Rule Cite**
• Mobility enhancing equipment without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Mobility enhancing equipment with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Mobility enhancing equipment paid for by Medicare		X	A.C.A. 26-52-401(20)
• Mobility enhancing equipment reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Mobility enhancing equipment paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Mobility enhancing equipment reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
Prosthetic devices (indicate how the options are treated in your state)	**Taxable**	**Exempt**	**Statute/Rule Cite**
• Prosthetic devices without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Prosthetic devices with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Prosthetic devices paid for by Medicare		X	A.C.A. 26-52-401(20)
• Prosthetic devices reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Prosthetic devices paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Prosthetic devices reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Corrective eyeglasses without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Corrective eyeglasses with a prescription	X		A.C.A. 26-52-433, 26-53-141

• Corrective eyeglasses paid for by Medicare		X	A.C.A. 26-52-401(20)
• Corrective eyeglasses reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Corrective eyeglasses paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Corrective eyeglasses reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Contact lenses without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Contact lenses with a prescription	X		A.C.A. 26-52-433, 26-53-141
• Contact lenses paid for by Medicare		X	A.C.A. 26-52-401(20)
• Contact lenses reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Contact lenses paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Contact lenses reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Hearing aids without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Hearing aids with a prescription		X	A.C.A. 26-52-433, 26-53-141
• Hearing aids paid for by Medicare		X	A.C.A. 26-52-401(20)
• Hearing aids reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Hearing aids paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Hearing aids reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
• Dental prosthesis without a prescription	X		A.C.A. 26-52-433, 26-53-141
• Dental prosthesis with a prescription	X		A.C.A. 26-52-433, 26-53-141
• Dental prosthesis paid for by Medicare		X	A.C.A. 26-52-401(20)
• Dental prosthesis reimbursed by Medicare		X	A.C.A. 26-52-401(20)
• Dental prosthesis paid for by Medicaid		X	A.C.A. 26-52-401(20)
• Dental prosthesis reimbursed by Medicaid		X	A.C.A. 26-52-401(20)
Telecommunications & related products	**Taxable**	**Exempt**	**Statute/Rule Cite**
Ancillary Services	X		A.C.A. 26-52-315, GR-7
• Conference bridging service	X		A.C.A. 26-52-315, GR-7
• Detailed telecommunications billing service	X		A.C.A. 26-52-315, GR-7
• Directory assistance	X		A.C.A. 26-52-315, GR-7
• Vertical service	X		A.C.A. 26-52-315, GR-7
• Voice mail service	X		A.C.A. 26-52-315, GR-7
Telecommunications (Indicate how the options are treated in your state)	**Taxable**	**Exempt**	**Statute/Rule Cite**
• Intrastate Telecommunications Service	X		A.C.A. 26-52-315
• Interstate Telecommunications Service	X		A.C.A. 26-52-315
• International Telecommunications Service	X		A.C.A. 26-52-315
• International 800 service		X	A.C.A. 26-52-315
• International 900 service		X	A.C.A. 26-52-315
• International fixed wireless service	X		A.C.A. 26-52-315
• International mobile wireless service	X		A.C.A. 26-52-315
• International paging service	X		A.C.A. 26-52-315
• International prepaid calling service	X		A.C.A. 26-52-314

• International prepaid wireless calling service	X		A.C.A. 26-52-314
• International private communications service		X	A.C.A. 26-52-315
• International value-added non-voice data service	X		A.C.A. 26-52-315
• International residential telecommunications service	X		A.C.A. 26-52-315
• Interstate 800 service		X	A.C.A. 26-52-315
• Interstate 900 service		X	A.C.A. 26-52-315
• Interstate fixed wireless service	X		A.C.A. 26-52-315
• Interstate mobile wireless service	X		A.C.A. 26-52-315
• Interstate paging service	X		A.C.A. 26-52-315
• Interstate prepaid calling service	X		A.C.A. 26-52-314
• Interstate prepaid wireless calling service	X		A.C.A. 26-52-314
• Interstate private communications service		X	A.C.A. 26-52-315
• Interstate value-added non-voice data service	X		A.C.A. 26-52-315
• Interstate residential telecommunications service	X		A.C.A. 26-52-315
• Intrastate 800 service	X		A.C.A. 26-52-315
• Intrastate 900 service	X		A.C.A. 26-52-315
• Intrastate fixed wireless service	X		A.C.A. 26-52-315
• Intrastate mobile wireless service	X		A.C.A. 26-52-315
• Intrastate paging service	X		A.C.A. 26-52-315
• Intrastate prepaid calling service	X		A.C.A. 26-52-314
• Intrastate prepaid wireless calling service	X		A.C.A. 26-52-314
• Intrastate private communications service	X		A.C.A. 26-52-315
• Intrastate value-added non-voice data service	X		A.C.A. 26-52-315
• Intrastate residential telecommunications service	X		A.C.A. 26-52-315
• Coin-operated telephone service	X		NA
• Pay telephone service	X		NA
• Local Service as defined by _____ (state)	X		NA

Note 1: We intended to adopt the definition of prewritten computer software in the agreement. However, a typographical error resulted in a narrowed definition of the term. The effect of this error is minimal because prewritten computer software is taxable as computer software if sold with tangible personal property. The error will be fixed as soon as practicable.

Note 2: Exemptions for sales tax also apply to use tax. See A.C.A. 26-53-112.

Note 3: We inadvertently adopted the "sales price" definition effective through December 31, 2007. The rules for bundled transactions are implemented through Arkansas Gross Receipts Tax Rule GR-93.