

Sales/Use/Indirect:

Georgia Letter Ruling Addresses Taxable Sales of Prewritten Computer Software and MPU Exemption

Letter Ruling SUT-2024-02, Ga. Dept. of Rev. (11/25/24). A Georgia Department of Revenue (Department) letter ruling explains to a provider of design software that loads its software onto certain tangible “USB Keys” and then ships these keys to in-state locations that such transactions constitute taxable sales of prewritten computer software delivered in a tangible medium. According to the Department, these sales are sourced to Georgia because the software is shipped to Georgia by the seller and picked up by the customer in Georgia. The letter ruling also notes that while some states offer a multiple point of use (MPU) exemption when a purchaser buys software for use in multiple jurisdictions, “the State of Georgia has no such exemption.” Therefore, sales of the USB Keys with the taxpayer’s software in this case are entirely sourced to Georgia and subject to Georgia sales and use tax. Please contact us with any questions.

URL: <https://dor.georgia.gov/taxes/tax-rules-and-policies/sales-use-tax-letter-rulings>

— Doug Nagode (Atlanta)
Managing Director
Deloitte Tax LLP
dnagode@deloitte.com

Liudmila Wilhelm (Atlanta)
Senior Manager
Deloitte Tax LLP
lwilhelm@deloitte.com

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