

STATE NAME: NEW JERSEY

Streamlined Sales Tax Governing Board
Section 328 Taxability Matrix
Library of Definitions

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Each of the items listed in the chart is defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through **December 19, 2011**. 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
	Included in Sales Price	Excluded from Sales Price	Statute/Rule Cite/Comment
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.			
<ul style="list-style-type: none">Charges by the seller for any services necessary to complete the sale other than delivery and installation	X		N.J.S.A. 54:32B-2(oo)(1)(C)
<ul style="list-style-type: none">Telecommunication nonrecurring charges	X		N.J.S.A. 54:32B-2(oo)(1)(C)
<ul style="list-style-type: none">Installation charges	X		N.J.S.A. 54:32B-2(oo)(1)(E) However, tax is separately imposed on installing tangible personal property. N.J.S.A. 54:32B-3(b)(2)
<ul style="list-style-type: none">Value of trade-in		X	N.J.S.A. 54:32B-2(oo)(2)(E)
<ul style="list-style-type: none">Delivery Charges for personal property or services other than direct mail.	Included in	Excluded	Statute/Rule Cite/Comment

The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser. For responses below assume the charges are separately stated on the bill to the purchaser.		Sales Price	from Sales Price	
<ul style="list-style-type: none"> Handling, crating, packing, preparation for mailing or delivery, and similar charges 		X		N.J.S.A. 54:32B-2 (oo)(1)(D);
<ul style="list-style-type: none"> Transportation, shipping, postage, and similar charges 		X		N.J.S.A. 54:32B-2 (oo)(1)(D)
Delivery Charges for direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser. For responses below assume the charges are separately stated on the bill to the purchaser.		Included in Sales Price	Excluded from Sales Price	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> Handling, crating, packing, preparation for mailing or delivery, and similar charges 		X		N.J.S.A. 54:32B-2 (oo)(1)(D)
<ul style="list-style-type: none"> Transportation, shipping, and similar charges 		X		N.J.S.A. 54:32B-2 (oo)(1)(D)
<ul style="list-style-type: none"> Postage 		X		N.J.S.A. 54:32B-2 (oo)(1)(D)
State, Local and Tribal Taxes		X		N.J.S.A. 54:32B-2(oo)(2)(c)
<ul style="list-style-type: none"> State and local taxes on a retail sale that are imposed on the seller if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchase 				
<ul style="list-style-type: none"> Tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. 		N/A		
Sales Tax Holidays		Yes	No	Statute/Rule Cite/Comment
Sales Tax Holidays: Does your state have a sales tax holiday?			X	N/A
If yes, indicate the tax treatment during your state sales tax holiday for the following products.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> All Energy star qualified products 				
<ul style="list-style-type: none"> Specific energy star qualified products or energy star qualified classifications 				
➤				
➤				
➤				
<ul style="list-style-type: none"> All Disaster Preparedness Supply 				
<ul style="list-style-type: none"> Specific Disaster preparedness supply 				
➤ Disaster preparedness general supply				
➤ Disaster preparedness safety supply				
➤ Disaster preparedness food-related supply				
➤ Disaster preparedness fastening supply				

• School supply				
• School art supply				
• School instructional material				
• School computer supply				
Other products defined in Part II of the Library of Definitions included in your state sales tax holiday.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite/Comment
• Clothing				
• Computers				
• Prewritten computer software				
•				
•				
•				
Product Definitions				
Clothing and related products		Taxable	Exempt	Statute/Rule Cite/Comment
• Clothing			X	N.J.S.A. 54:32B-8.4(a)
➢ Essential clothing priced below a state specific threshold			X	N.J.S.A. 54:32B-8.4(a)
➢ Fur clothing		X		N.J.S.A. 54:32B-8.4(a)
• Clothing accessories or equipment		X		N.J.S.A. 54:32B-8.4(a)
• Protective equipment		X		Exemption available if necessary for daily work of user. N.J.S.A. 54:32B-8.4(b)
• Sport or recreational equipment		X		N.J.S.A. 54:32B-8.4(a)
Computer related products		Taxable	Exempt	Statute/Rule Cite/Comment
• Computer		X		N.J.S.A. 54:32B-3(a)
• Prewritten computer software		X		Exemption available for software exclusively for business use that is delivered solely electronically N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-2(g) N.J.S.A. 54:32B-3(a)
• Prewritten computer software delivered electronically		X		Exemption available for software exclusively for business use (N.J.S.A. 54:32B-8.56) N.J.S.A. 54:32B-2(g) N.J.S.A. 54:32B-3(a)
• Prewritten computer software delivered via load and leave		X		N.J.S.A. 54:32B-2(g) (treated as tangible personal property)

			N.J.S.A. 54:32B-3(a)
<ul style="list-style-type: none"> Non-prewritten (custom) computer software 		X	Custom means designed for one user; custom software is rare, since most software is prewritten with modifications; purely custom software is not subject to tax, as it is not treated as tangible personal property N.J.A.C. 18:24-25.3
<ul style="list-style-type: none"> Non-prewritten (custom) computer software delivered electronically 		X	“ ”
<ul style="list-style-type: none"> Non-prewritten (custom) computer software delivered via load and leave 		X	“ ”
Mandatory computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to prewritten computer software 	X		Exemption available if contract only includes software exclusively for business use that is delivered solely electronically N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-3(b)(2) N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered electronically 	X		Exemption available if contract only includes software exclusively for business use that is delivered solely electronically N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-3(b)(2) N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered via load and leave 	X		Exemption available if contract only includes software exclusively for business use that is delivered solely electronically N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-3(b)(2) N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software 		X	Custom means designed for one user; purely custom

			software is not subject to tax, since it is not treated as tpp, so any included services would not be performed on TANGIBLE PERSONAL PROPERTY. N.J.A.C. 18:24-25.6.
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically 		X	“ ”
<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave 		X	“ ”
Optional computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades with respect to the software 	X		Exemption available for software exclusively for business use that is delivered <u>solely</u> electronically. N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered electronically with respect to the software 	X		Exemption available for software exclusively for business use that is delivered <u>solely</u> electronically N.J.S.A. 54:32B-8.56 N.J.S.A. 54:32B-3(a) N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered via load and leave with respect to the software 	X		Software sold in tangible form is taxable. N.J.S.A. 54:32B-3(a) N.J.S.A. 54:32B-2(f) N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades with respect to the software 		X	Custom means designed for one user; custom software is rare, since most software is prewritten with modifications; purely custom software is not subject to tax, since it is not treated as TPP, so any updates or upgrades would also not be treated as tpp
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non- 		X	“ ”

prewritten (custom) computer software that only provide updates or upgrades delivered electronically with respect to the software			
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered via load and leave with respect to the software 		X	“ “
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide support services to the software 		X	Custom means designed for one user; custom software is rare, since most software is prewritten with modifications; purely custom software is not subject to tax, since it is not treated as TPP, so any services performed would not be services to tpp
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades and support services to the software 		X	“ “
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades delivered electronically and support services to the software 		X	“ “
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software provide updates or upgrades delivered via load and leave and support services to the software 		X	“ “
<p>Indicate your state’s tax treatment for optional computer software maintenance contracts with respect to prewritten computer software sold for one non-itemized price that include updates and upgrades and/or support services. Use percentages in the taxable and exempt columns to denote tax treatment in your state. For example: if all taxable put 100% in the taxable column; if all nontaxable/exempt put 100% in the exempt column; if 50% taxable and 50% nontaxable/exempt put 50% in the taxable column and 50% in the exempt column.</p>	Taxable Percentage	Exempt Percentage	Statute/Rule Cite/Comment Draft Regulation N.J.A.C. 18:24-25.6(b)(3), a software maintenance contract which includes both taxable and nontaxable products that are not itemized on the invoice is treated as taxable unless the seller can demonstrate from its books and records the portion that is for nontaxable or exempt products.
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software 	100%		If itemized, exemption available if contract includes only software exclusively for business use that is delivered solely electronically; services to tangible personal property are taxable. N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten 	100%		If itemized, exemption

computer software that provide updates and upgrades delivered electronically and support services to the software			available if contract includes only software exclusively for business use that is delivered solely electronically; services to tangible personal property are taxable. N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered via load and leave and support services to the software 	100%		Software provided in tangible form such as load & leave is taxable; services to TPP are taxable. N.J.A.C. 18:24-25.6
<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to the software 		100%**	Support services (training, help desk) that do not include actual services performed on tangible personal property are not taxable. N.J.A.C. 18:24-25.6(b)
Digital products(excludes telecommunications services, ancillary services and computer software)*	Yes	No	Statute/Rule Cite/Comment
A state imposing tax on products “transferred electronically” is not required to adopt definitions for specified digital products. (“Specified digital products” includes the defined terms: digital audio visual works; digital audio works; and digital books.) Does your state impose tax on products transferred electronically other than digital audio visual works, digital audio works, or digital books?		X	NOTE: Prewritten software delivered electronically is taxed as tangible personal property, not as digital property. N.J.S.A. 54:32B-3(a) or N.J.S.A. 54:32B-2(zz) (definition of specified digital products)
	Taxable	Exempt	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> Digital audio visual works sold to an end user with rights for permanent use 	X		N.J.S.A. 54:32B-3(a)
<ul style="list-style-type: none"> Digital audio works sold to an end user with rights for permanent use 	X		N.J.S.A. 54:32B-3(a)
<ul style="list-style-type: none"> Digital books sold to an end user with rights for permanent use 	X		N.J.S.A. 54:32B-3(a)
For transactions other than those included above, a state must specifically impose and separately enumerate a broader imposition of the tax. Does your state impose tax on:	Yes	No	Statute/Rule Cite/Comment
<ul style="list-style-type: none"> Digital audio visual works sold to users other than the end user. 		X	N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-2(e)
<ul style="list-style-type: none"> Digital audio visual works sold with rights of use less than permanent use. 	X		N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.62 exemption available for access with no delivery

<ul style="list-style-type: none"> Digital audio visual works sold with rights of use conditioned on continued payment. 	X		N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-2(f) "sale" includes license to use or consume, conditional or otherwise
<ul style="list-style-type: none"> Digital audio works sold to users other than the end user. 		X	N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-2(e)
<ul style="list-style-type: none"> Digital audio works sold with rights of use less than permanent. 	X		N.J.S.A. 54:32B-3(a) N.J.S.A. 54:32B-8.62; exemption available for access with no delivery.
<ul style="list-style-type: none"> Digital audio works sold with rights of use conditioned on continued payments. 	X		N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.62 exemption available for access with no delivery.
<ul style="list-style-type: none"> Digital books sold to users other than the end user. 		X	N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-2(e)
<ul style="list-style-type: none"> Digital books sold with rights of use less than permanent. 	X		N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.62 exemption available for access with no delivery.
<ul style="list-style-type: none"> Digital books sold with rights of use conditioned on continued payments. 	X		N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.62 exemption available for access with no delivery.
Does your state treat subscriptions to products "transferred electronically" differently than a non-subscription purchase of such product?		X	
Section 332H provides that states may have product based exemptions for specific items within specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) List product based exemptions for specific items included in specified digital products. Example: digital textbooks	Statute/Rule Cite/Comment		
<ul style="list-style-type: none"> Video programming services incl. video on demand TV services and broadcasting services, including content to provide such services 	X	X	N.J.S.A. 54:32B-8.61 exemption available for video programming
<ul style="list-style-type: none"> 			
<ul style="list-style-type: none"> 			
Food and food products	Taxable	Exempt	Statute/Rule Cite/Comment

• Food and food ingredients excluding alcoholic beverages and tobacco		X	N.J.S.A. 54:32B-8.2(a);- unless sold as prepared food.
➤ Candy	X		N.J.S.A. 54:32B-8.2(a)(1); Defined in N.J.S.A. 54:32B-8.2(c)
➤ Dietary Supplements		X	N.J.S.A. 54:32B-8.2(a); unless sold as prepared food. Defined in N.J.S.A. 54:32B-8.2(c)
➤ Soft Drinks	X		N.J.S.A. 54:32B-8.2(a)(2); Defined in N.J.S.A. 54:32B-8.2(c)
➤ Bottled Water		X	Unless sold as prepared food
➤ Food sold through vending machines	X		N.J.S.A. 54:32B-3(c)(2)
➤ Prepared Food	X		N.J.S.A. 54:32B-3(c)(1)
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/Comment
➤ Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)		X	N.J.S.A. 54:32B-3(c)(3)(ii)
➤ Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item		X	N.J.S.A. 54:32B-3(c)(3)(ii)
➤ 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	N.J.S.A. 54:32B-3(c)(3)(ii)
Health-care products	Taxable	Exempt	Statute/Rule Cite/Comment
Drugs (indicate how the options are treated in your state)			
Drugs for human use			
• Drugs for human use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(2)
• Drugs for human use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(1)
• Insulin for human use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(3) Exempt as diabetic supply
• Insulin for human use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(3) Exempt as diabetic supply
• Medical oxygen for human use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(6) Specifically exempt
• Medical oxygen for human use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(6) Specifically exempt
• Over-the-counter drugs for human use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(2)
• Over-the-counter drugs for human use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(2)
• Grooming and hygiene products for human use	X		N.J.S.A. 54:32B-8.1(b)
• Drugs for human use to hospitals		X	N.J.S.A. 54:32B-8.1(a)(2)

• Drugs for human use to other medical facilities		X	N.J.S.A. 54:32B-8.1(a)(2)
• Prescription drugs for human use to hospitals		X	N.J.S.A. 54:32B-8.1(a)(1)
• Prescription drugs for human use to other medical facilities		X	N.J.S.A. 54:32B-8.1(a)(1)
• Free samples of drugs for human use		X	N.J.S.A. 54:32B-8.1(a)(2)
• Free samples of prescription drugs for human use		X	N.J.S.A. 54:32B-8.1(a)(1)
Drugs for animal use			
• Drugs for animal use without a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Drugs for animal use with a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Insulin for animal use without a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Insulin for animal use with a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Medical oxygen for animal use without a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Medical oxygen for animal use with a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Over-the-counter drugs for animal use without a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Over-the-counter drugs for animal use with a prescription	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Grooming and hygiene products for animal use	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Drugs for animal use to veterinary hospitals and other animal medical facilities	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use

• Prescription drugs for animal use to hospitals and other animal medical facilities	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Free samples of drugs for animal use	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
• Free samples of prescription drugs for animal use	X		Taxable under N.J.S.A. 54:32B-3(a); N.J.S.A. 54:32B-8.1(a) exemption only applies for human use
Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
• Durable medical equipment, not for home use, without a prescription	X		N.J.S.A. 54:32B-3(a). Exempt only if for home use
• Durable medical equipment, not for home use, with a prescription	X		N.J.S.A. 54:32B-3(a). Exempt only if for home use
• Durable medical equipment, not for home use, with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Durable medical equipment, not for home use, with a prescription reimbursed by Medicare	X		N.J.S.A. 54:32B-3(a). Exempt only if for home use N.J.S.A.32B-8.1(a)(8)
• Durable medical equipment, not for home use, with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid	X		N.J.S.A. 54:32B-3(a). Exempt only if for home use N.J.S.A.32B-8.1(a)(8)
• Durable medical equipment for home use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(8)
• Durable medical equipment for home use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(8)
• Durable medical equipment for home use with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2)
• Durable medical equipment for home use with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8)
• Durable medical equipment for home use with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2)
• Durable medical equipment for home use with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8)
• Oxygen delivery equipment, not for home use, without a prescription	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Oxygen delivery equipment, not for home use, with a prescription	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use

• Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Oxygen delivery equipment for home use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(8) DME for home use
• Oxygen delivery equipment for home use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(8) DME for home use
• Oxygen delivery equipment for home use with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Oxygen delivery equipment for home use with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8) DME for home use
• Oxygen delivery equipment for home use with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8) DME for home use
• Kidney dialysis equipment, not for home use, without a prescription	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Kidney dialysis equipment, not for home use, with a prescription	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid	X		N.J.S.A. 54:32B-8.1(a)(8) DME-Exempt only if for home use
• Kidney dialysis equipment for home use without a prescription		X	N.J.S.A. 54:32B-8.1(a)(8)

• Kidney dialysis equipment for home use with a prescription		X	N.J.S.A. 54:32B-8.1(a)(8)
• Kidney dialysis equipment for home use with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2)
• Kidney dialysis equipment for home use with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(8)
• Kidney dialysis equipment for home use with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8) or N.J.S.A. 54:32B-9(a)(2)
• Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(8)
• Enteral feeding systems, not for home use, without a prescription	X		N.J.S.A. 54:32B-3(a). DME-Exempt only if for home use
• Enteral feeding systems, not for home use, with a prescription	X		N.J.S.A. 54:32B-3(a). DME-Exempt only if for home use
• Enteral feeding systems, not for home use, with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare	X		N.J.S.A. 54:32B-3(a). DME-Exempt only if for home use
• Enteral feeding systems, not for home use, with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-9(a)(2) Governmental exemption
• Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid	X		N.J.S.A. 54:32B-3(a). DME-Exempt only if for home use
• Enteral feeding systems for home use without a prescription		X	N.J.S.A. 54-32B-8.1(a)(8)
• Enteral feeding systems for home use with a prescription		X	N.J.S.A. 54-32B-8.1(a)(8)
• Enteral feeding systems for home use with a prescription paid for by Medicare		X	N.J.S.A. 54-32B-9(a)(2) or N.J.S.A. 54:32B-8.1(a)(8)
• Enteral feeding systems for home use with a prescription reimbursed by Medicare		X	N.J.S.A. 54-32B-8.1(a)(8)
• Enteral feeding systems for home use with a prescription paid for by Medicaid		X	N.J.S.A. 54-32B-9(a)(2) or N.J.S.A. 54:32B-8.1(a)(8)
• Enteral feeding systems for home use with a prescription reimbursed by Medicaid		X	N.J.S.A. 54-32B-9(a)(2)
• Repair and replacement parts for durable medical equipment which are for single patient use	X		Parts are only exempt if the DME is for home use. N.J.S.A. 54:32B-8.1(a)(10)
Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
• Mobility enhancing equipment without a prescription	X		Effective 1/1/09, MEE exemption requires prescription

			N.J.S.A. 54:32B-8.1(a)(9)
• Mobility enhancing equipment with a prescription		X	N.J.S.A. 54:32B-8.1(a)(9)
• Mobility enhancing equipment with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(9) or N.J.S.A. 54:32B-9(a)(2)
• Mobility enhancing equipment with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(9)
• Mobility enhancing equipment with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(9) or N.J.S.A. 54:32B-9(a)(2)
• Mobility enhancing equipment with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(9)
Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
• Prosthetic devices without a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Prosthetic devices with a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Prosthetic devices with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Prosthetic devices with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4)
• Prosthetic devices with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A.54:32B-9(a)(2)
• Prosthetic devices with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4)
• Corrective eyeglasses without a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Corrective eyeglasses with a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Corrective eyeglasses with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Corrective eyeglasses with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4)
• Corrective eyeglasses with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A.54:32B-9(a)(2)
• Corrective eyeglasses with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4)
• Contact lenses without a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)- only if corrective
• Contact lenses with a prescription		X	N.J.S.A. 54:32B-8.1(a)(4) – only if corrective
• Contact lenses with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Contact lenses with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4)
• Contact lenses with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Contact lenses with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4)
• Hearing aids without a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Hearing aids with a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Hearing aids with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Hearing aids with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4)

• Hearing aids with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Hearing aids with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4)
• Dental prosthesis without a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Dental prosthesis with a prescription		X	N.J.S.A. 54:32B-8.1(a)(4)
• Dental prosthesis with a prescription paid for by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Dental prosthesis with a prescription reimbursed by Medicare		X	N.J.S.A. 54:32B-8.1(a)(4)
• Dental prosthesis with a prescription paid for by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4) or N.J.S.A. 54:32B-9(a)(2)
• Dental prosthesis with a prescription reimbursed by Medicaid		X	N.J.S.A. 54:32B-8.1(a)(4)
Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite/Comment
• Ancillary Services	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
➤ Conference bridging service	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
➤ Detailed telecommunications billing service	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
➤ Directory assistance	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
➤ Vertical service	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
➤ Voice mail service	X		N.J.S.A. 54:32B-3(f)(1) or N.J.S.A. 54:32B-2(cc)
Telecommunications (Indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
• Intrastate Telecommunications Service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate Telecommunications Service	X		N.J.S.A. 54:32B-3(f)(1)
• International Telecommunications Service	X		N.J.S.A. 54:32B-3(f)(1)
• International 800 service	X		N.J.S.A. 54:32B-3(f)(1)
• International 900 service	X		N.J.S.A. 54:32B-3(f)(1)
• International fixed wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• International mobile wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• International prepaid calling service	X		N.J.S.A. 54:32B-3(f)(1)
• International prepaid wireless calling service	X		N.J.S.A. 54:32B-3(f)(1)
• International private communications service	X		N.J.S.A. 54:32B-3(f)(1)
• International value-added non-voice data service	X		N.J.S.A. 54:32B-3(f)(1)
• International residential telecommunications service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate 800 service	X		N.J.S.A. 54:32B-3(f)(1)

• Interstate 900 service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate fixed wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate mobile wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate prepaid calling service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate prepaid wireless calling service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate private communications service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate value-added non-voice data service	X		N.J.S.A. 54:32B-3(f)(1)
• Interstate residential telecommunications service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate 800 service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate 900 service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate fixed wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate mobile wireless service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate prepaid calling service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate prepaid wireless calling service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate private communications service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate value-added non-voice data service	X		N.J.S.A. 54:32B-3(f)(1)
• Intrastate residential telecommunications service	X		N.J.S.A. 54:32B-3(f)(1)
• Paging service	X		N.J.S.A. 54:32B-3(f)(1)
• Coin-operated telephone service		X	N.J.S.A. 54:32B-8.58
• Pay telephone service	X		Only exempt if service is paid for by direct deposits of money into device. N.J.S.A. 54:32B-3(f)(1)
• Local Service as defined by NJ (state)	X		N.J.S.A. 54:32B-3(f)(1)

- (see pg.7) New Jersey taxes digital products that are sold for less than permanent use and that *do* require continuing payments. We were advised not to read those limitations into this particular question, so the response is “No”, we do not impose tax on other products transferred electronically, just those that are specified Digital Products.
- ** (see pg. 7) November 2010 revision: deleted 100% taxable and replaced with 100% exempt for Optional maintenance contracts for prewritten software that only provide support services; it has been clarified that support services means services such as training, help desk, online or telephone support, and does not include any services performed on the software.
- (see pg. 13) November 19, 2010 revision: MEE is exempt if by prescription , regardless of governmental exemption, so comments were revised and the taxable bullets were changed to exempt