**64:06:02:78.  Computer services -- Software.** The gross receipts from the sale of computer software, technical services and attendant appliances, equipment, and facilities are subject to the retail occupational sales tax.

A computer is an electronic device that accepts information in digital or similar form and manipulates the information for a result based on a sequence of instructions. Computer software is a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

The following are examples of the services, appliances, equipment, and facilities which are taxable:

(1)  Tangible personal property or any product transferred electronically such as instructions, directions, models, and layout sheets which are elements of technical service transactions;

(2)  Designing and implementing of computer systems;

(3)  Designing of storage and data retrieval systems;

(4)  Consulting services;

(5)  Feasibility studies;

(6)  Evaluation of bids;

(7)  Providing of technical assistance;

(8)  Fees or access charges for access to data bases or networks; and

(9)  Fees or access charges for access to software, programs, or computer systems.

**Source:** 2 SDR 40, effective December 8, 1975; 7 SDR 80, effective February 22, 1981; 12 SDR 111, effective January 12, 1986; 13 SDR 129, 13 SDR 134, effective July 1, 1987; 21 SDR 219, effective July 1, 1995; 31 SDR 214, effective July 6, 2005; 35 SDR 48, effective September 8, 2008.

**General Authority:** SDCL 10-45-47.1(3).

**Law Implemented:** SDCL 10-45-2, 10-45-2.4, 10-45-4, 10-45-5.2.