

■ Taxable / charge on sell price
 ■ Depends on the job
 ■ Exempt
 ■ You pay tax on your cost
 □ No sales tax
 |
 Rate based on:
 ■ Job site
 ■ Your office
 ■ Mixed
 ■ One statewide rate

State	State rate	Avg combined	Installation labor	Repair and service calls	Wired-in work (in-wall, prewire)	Monitoring and support plans	Service contracts	Rate based on
AL Alabama	4%	9.46%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans usually not taxed	JOB SITE
AK Alaska	none	1.82%	□ No state tax; local rules vary	□ No state tax; local rules vary	□ No state tax; local rules vary	□ No state tax; local rules vary	□ No state tax; local rules vary	NO TAX
AZ Arizona	5.6%	8.54%	■ Varies: remodel vs new build	■ Exempt if separately stated	■ Remodel: you pay; new build: taxed	■ Monitoring not taxed; software is	■ Not taxed	MIXED
AR Arkansas	6.5%	9.48%	■ Taxed, except new construction	■ Taxed	■ New build: you pay; retrofit: taxed	■ Alarm monitoring taxed	■ Taxed when sold	JOB SITE
CA California	7.25%	9.03%	■ Exempt if separately stated	■ Exempt if separately stated	■ Wire: you pay; fixtures: you charge	■ Not taxed	■ Optional plans not taxed	MIXED
CO Colorado	2.9%	7.89%	■ Exempt if separately stated	■ Exempt if separately stated	■ Lump sum: you pay; T&M: you charge	■ Not taxed by state	■ Optional plans not taxed	JOB SITE
CT Connecticut	6.35%	6.35%	■ Homes and new builds exempt	■ Taxed on equipment repairs	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Taxed	STATEWIDE
DE Delaware	none	none	□ No sales tax	□ No sales tax	□ No sales tax on materials	□ No sales tax	□ No sales tax	NO TAX
DC District of Columbia	6% -7% 10/1	6%	■ Exempt if separately stated	■ Taxed, labor included	■ Lump sum: you pay; T&M: you charge	■ Alarm monitoring taxed	■ Unclear; confirm with DC	STATEWIDE
FL Florida	6%	6.98%	■ Plug-in gear taxed; built-in not	■ Taxed, parts and labor	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Taxed	JOB SITE
GA Georgia	4%	7.56%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Not taxed if itemized	JOB SITE
HI Hawaii	4%	4.5%	■ Taxed (general excise tax)	■ Taxed (general excise tax)	■ Excise tax on full contract price	■ Taxed (general excise tax)	■ Taxed (general excise tax)	STATEWIDE
ID Idaho	6%	6.03%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	JOB SITE
IL Illinois	6.25%	8.98%	■ Not taxed	■ Labor not taxed; parts are	■ You pay tax on materials cost	■ Not taxed by state	■ Optional plans not taxed	MIXED
IN Indiana	7%	7%	■ Exempt if separately stated	■ Exempt if separately stated	■ Lump sum: you pay; T&M: you charge	■ Not taxed	■ Taxed if plan includes parts	STATEWIDE
IA Iowa	6%	6.94%	■ Taxed, except new build or remodel	■ Taxed	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Taxed	JOB SITE
KS Kansas	6.5%	8.71%	■ Homes and new builds exempt	■ Taxed, parts and labor	■ You pay tax on materials cost	■ Not taxed	■ Taxed, except items built into homes	JOB SITE
KY Kentucky	6%	6%	■ Taxed, except built-in fixtures	■ Taxed if parts used	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Taxed	STATEWIDE
LA Louisiana	5%	10.13%	■ Plug-in gear taxed; built-in not	■ Taxed, parts and labor	■ You pay tax on materials cost	■ Software taxed; monitoring unclear	■ Unclear; confirm with state	JOB SITE
ME Maine	5.5%	5.5%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	STATEWIDE
MD Maryland	6%	6%	■ Exempt, except security systems	■ Exempt if separately stated	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Unclear; confirm with state	STATEWIDE
MA Massachusetts	6.25%	6.25%	■ Exempt if separately stated	■ Exempt if parts itemized	■ Wire and rough-in: you pay on cost	■ Monitoring not taxed; software is	■ Not taxed; you pay on parts used	STATEWIDE
MI Michigan	6%	6%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	STATEWIDE
MN Minnesota	6.875%	8.14%	■ Plug-in gear taxed; built-in not	■ Exempt if separately stated	■ You pay tax on materials cost	■ Alarm monitoring taxed; software n...	■ Taxed if plan includes parts	JOB SITE
MS Mississippi	7%	7.06%	■ Taxed, except home built-in work	■ Taxed	■ You pay tax on materials cost	■ Unclear; confirm with state	■ Taxed	OFFICE
MO Missouri	4.225%	8.44%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	OFFICE
MT Montana	none	none	□ No sales tax	□ No sales tax	□ No sales tax on materials	□ No sales tax	□ No sales tax	NO TAX
NE Nebraska	5.5%	6.98%	■ Taxed unless built-in and itemized	■ Taxed, parts and labor	■ Depends on your contractor option	■ Alarm monitoring taxed	■ Taxed	JOB SITE
NV Nevada	6.85%	8.24%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	JOB SITE
NH New Hampshire	none	none	□ No sales tax	□ No sales tax	□ No sales tax on materials	□ No sales tax	□ No sales tax	NO TAX
NJ New Jersey	6.625%	6.6%	■ Taxed, except capital improvements	■ Taxed	■ AV: you pay on materials; alarm taxed	■ Alarm monitoring taxed	■ Taxed	STATEWIDE
NM New Mexico	4.875%	7.68%	■ Taxed (gross receipts tax)	■ Taxed (gross receipts tax)	■ Gross receipts tax on full contract	■ Taxed (gross receipts tax)	■ Taxed (gross receipts tax)	JOB SITE
NY New York	4%	8.54%	■ Taxed unless capital improvement	■ Taxed	■ You pay on materials (with ST-124)	■ Alarm monitoring taxed	■ Taxed	JOB SITE
NC North Carolina	4.75%	7.1%	■ Taxed unless capital improvement	■ Taxed	■ You pay tax on materials cost	■ Monitoring-only not taxed	■ Taxed, except monitoring-only	JOB SITE
ND North Dakota	5%	7.09%	■ Not taxed	■ Labor not taxed; parts are	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	JOB SITE
OH Ohio	5.75%	7.29%	■ Plug-in gear taxed; built-in not	■ Taxed, parts and labor	■ You pay tax on materials cost	■ Alarm monitoring taxed	■ Taxed	OFFICE
OK Oklahoma	4.5%	9.06%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Not taxed	JOB SITE
OR Oregon	none	none	□ No sales tax	□ No sales tax	□ No sales tax on materials	□ No sales tax	□ No sales tax	NO TAX
PA Pennsylvania	6%	6.34%	■ Plug-in gear taxed; built-in not	■ Taxed on equipment repairs	■ You pay tax on materials cost	■ Monitoring not taxed; software is	■ Taxed	JOB SITE
RI Rhode Island	7%	7%	■ Exempt if separately stated	■ Exempt if separately stated	■ Lump sum: you pay; itemized: char...	■ Monitoring not taxed; software is	■ Optional plans not taxed	STATEWIDE
SC South Carolina	6%	7.49%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Optional plans not taxed	JOB SITE
SD South Dakota	4.2%	6.11%	■ Built-in: 2% excise tax instead	■ Taxed	■ You pay 2% excise plus materials tax	■ Taxed	■ Taxed	JOB SITE
TN Tennessee	7%	9.61%	■ Plug-in gear taxed; built-in not	■ Taxed	■ You pay tax on materials cost	■ Taxed if repair is included	■ Taxed	OFFICE
TX Texas	6.25%	8.2%	■ Home built-in exempt; alarms taxed	■ Taxed, except home real property	■ Lump sum: you pay; itemized: char...	■ Alarm monitoring taxed	■ Taxed, except home real property	MIXED
UT Utah	6.1%	7.42%	■ Exempt if separately stated	■ Built-in exempt if itemized	■ You pay tax on materials cost	■ Not taxed	■ Taxed	OFFICE
VT Vermont	6%	6.39%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Monitoring not taxed; software is	■ Optional plans not taxed	JOB SITE
VA Virginia	5.3%	5.77%	■ Exempt if separately stated	■ Exempt if separately stated	■ You pay tax on materials cost	■ Not taxed	■ Parts-and-labor plans taxed on half	OFFICE
WA Washington	6.5%	9.51%	■ Taxed	■ Taxed	■ Charge tax on full contract price	■ Taxed since Oct 1, 2025	■ Taxed	JOB SITE
WV West Virginia	6%	6.59%	■ Taxed unless capital improvement	■ Taxed	■ You pay tax on materials cost	■ Taxed	■ Taxed	JOB SITE
WI Wisconsin	5%	5.72%	■ Plug-in gear taxed; built-in not	■ Gear taxed; built-in not	■ You pay tax on materials cost	■ Not taxed	■ Gear taxed; built-in items not	JOB SITE
WY Wyoming	4%	5.56%	■ Plug-in gear taxed; built-in not	■ Taxed on equipment repairs	■ You pay tax on materials cost	■ Not taxed	■ Not taxed	JOB SITE

Cost or sell price?

Gear built into the house usually makes you the consumer: pay tax on your cost and don't charge the client. Movable gear is a retail sale taxed on your sell price.

Resale certificates

Use them for equipment you resell. Most states don't let you use them for materials you install into the building.

Use tax by state

AL 4% plus local on untaxed buys
AK No state use tax; some local
AZ 5.6% plus city on untaxed buys
AR 6.5% plus local on untaxed buys
CA Local sales rate on untaxed buys
CO 2.9% plus local on untaxed buys **Retail delivery fee rose from \$0.28 to \$0.31 per delivery on July 1, 2026.**
CT 6.35% on untaxed purchases
DE No use tax
DC 7% from Oct 1, 2026 on untaxed buys **General sales tax rate rises from 6% to 7% on Oct 1, 2026.**
FL 6% plus surtax on untaxed buys
GA 4% plus local on untaxed buys
HI 4% on goods brought in for use
ID 6% on untaxed purchases
IL 6.25% on untaxed purchases **Since Jan 1, 2025, remote sellers collect state and local tax at the delivery address rate.**
IN 7% on untaxed purchases
IA 6% plus local on untaxed buys
KS 6.5% plus local on untaxed buys

Separately state your labor

Most labor exemptions only apply when labor is its own line on the invoice. Bundle it with equipment and many states tax the whole price.

Office or job site?

Most states use the job-site or ship-to rate. Contractors on real-property work almost always owe the job-site rate.

KY 6% on untaxed purchases
LA 5% plus local on untaxed buys **State rate rose from 4.45% to 5% on Jan 1, 2025.**
ME 5.5% on untaxed purchases **Installing or repairing telecom equipment moved from the 6% service provider tax to 5.5% sales tax on Jan 1, 2026.**
MD 6% on untaxed purchases **IT and data services, including network design, have been taxed at 3% since July 1, 2025.**
MA 6.25% on untaxed purchases
MI 6% on untaxed purchases
MN 6.875% plus local on untaxed buys
MS 7% on untaxed purchases
MO 4.225% plus local on untaxed buys
MT No use tax
NE 5.5% plus local on untaxed buys
NV 6.85% plus county on untaxed buys
NH No use tax
NJ 6.625% on untaxed purchases
NM 4.875% on untaxed out-of-state buys
NY 4% plus local on untaxed buys
NC 4.75% plus county on untaxed buys

Collected too much?

Money labeled as sales tax belongs to the state even if it wasn't owed. Refund it to the client or send it in.

Keep the paper

Proposals that separate labor, signed capital improvement certificates (NY ST-124) and supplier invoices showing tax paid.

ND 5% plus local on untaxed buys
OH 5.75% plus county on untaxed buys **The discount for filing on time is capped at \$750 a month per license from Jan 1, 2026.**
OK 4.5% plus local on untaxed buys
OR No use tax
PA 6% plus local on untaxed buys
RI 7% on untaxed purchases
SC 6% plus local on untaxed buys
SD 4.2% plus city on untaxed buys **State rate is set to return from 4.2% to 4.5% on July 1, 2027.**
TN 7% plus local on untaxed buys
TX 6.25% plus local on untaxed buys
UT Local sales rate on untaxed buys
VT 6% plus local on untaxed buys
VA Local sales rate on untaxed buys
WA Local sales rate on untaxed buys **Alarm monitoring, IT support and several other services became taxable on Oct 1, 2025 (ESSB 5814).**
WV 6% plus city on untaxed buys **Materials for public school construction projects are exempt from July 1, 2026.**
WI 5% plus county on untaxed buys
WY 4% plus county on untaxed buys

Resale and exemption certificates

AL Resale certificate showing the buyer's Alabama sales tax account number (MTC Uniform Certificate accepted); no state-numbered resale form
AK ARSSTC Resale Exemption Certificate (listed in the ARSSTC Exemption Certificate Directory); some cities issue their own resale cards
AZ Arizona Form 5000A Resale Certificate; Form 5000 for contractor-to-contractor purchases **Capital improvement: Form 5005 Contractor's Declaration (documents an MRRRA project; not a capital improvement exemption)**
AR Form ST391 Arkansas Streamlined Sales Tax Certificate of Exemption
CA CDTFA-230 General Resale Certificate
CO DR 0563 Sales Tax Exemption Certificate, Multi-Jurisdiction
CT Connecticut Resale Certificate (CERT-134 Uniform Resale Certificate, multijurisdiction)
DE Not applicable
DC OTR-368 Certificate of Resale
FL Florida Annual Resale Certificate (DR-13)
GA Form ST-5 Certificate of Exemption
HI Form G-17 Resale Certificate (for wholesale-rate purchases)
ID Form ST-101 Sales Tax Resale or Exemption Certificate
IL Form CRT-61 Certificate of Resale
IN Form ST-105 General Sales Tax Exemption Certificate
IA Form 31-014 Iowa Sales/Use/Excise Tax Exemption Certificate
KS Form ST-28A Resale Exemption Certificate
KY Form 51A105 Resale Certificate

LA Form R-1042 Louisiana Resale Certificate
ME Maine Resale Certificate issued by MRS (Instructional Bulletin 54)
MD Maryland resale certificate showing the buyer's Maryland sales tax registration number
MA Form ST-4 Sales Tax Resale Certificate
MI Form 3372 Michigan Sales and Use Tax Certificate of Exemption
MN Form ST3 Certificate of Exemption
MS No resale certificate; the seller keeps the buyer's Mississippi sales tax permit number (or a Material Purchase Certificate for contractor's-tax jobs) **Capital improvement: Material Purchase Certificate (for contractor's-tax projects)**
MO Form 149 Sales and Use Tax Exemption Certificate
MT Not applicable
NE Form 13 Nebraska Resale or Exempt Sale Certificate **Capital improvement: Form 17 Contractor Option election (not a capital improvement certificate)**
NV Nevada resale certificate (SST form accepted)
NH Not applicable
NJ Form ST-3 Resale Certificate (ST-3NR for out-of-state buyers) **Capital improvement: Form ST-8 Certificate of Exempt Capital Improvement**
NM Nontaxable Transaction Certificates: Type 2 (resale) and Type 6 (construction materials)
NY Form ST-120 Resale Certificate (ST-120.1 Contractor Exempt Purchase Certificate) **Capital improvement: Form ST-124 Certificate of Capital Improvement**

NC Form E-595E Streamlined Sales and Use Tax Certificate of Exemption **Capital improvement: Form E-589CI Affidavit of Capital Improvement**
ND North Dakota Certificate of Resale (SST and MTC forms accepted)
OH Form STEC B Sales and Use Tax Blanket Exemption Certificate **Capital improvement: STEC CC Construction Contract Exemption Certificate (exempt-owner projects only)**
OK Resale certificate with the buyer's Oklahoma sales tax permit number (SST and MTC forms accepted)
OR Not applicable
PA REV-1220 Pennsylvania Exemption Certificate
RI Rhode Island Resale Certificate (SST certificate accepted)
SC Form ST-8A Resale Certificate
SD South Dakota/SST Exemption Certificate
TN Tennessee Certificate of Resale (issued via TNTAP)
TX Form 01-339 Texas Sales and Use Tax Resale Certificate
UT Form TC-721 Exemption Certificate
VT Form S-3 Resale and Exempt Organization Certificate (S-3C for exempt-entity contractor jobs)
VA Form ST-10 Sales and Use Tax Certificate of Exemption (resale)
WA DOR-issued Reseller Permit
WV Form F0003 SST Certificate of Exemption
WI Form S-211 Wisconsin Sales and Use Tax Exemption Certificate
WY SST Certificate of Exemption or Wyoming resale certificate