

Sales/Use/Indirect:

Wisconsin DOR Says NFTs May be Taxable if Underlying Product, Good, or Service is Taxable

Wisconsin Tax Bulletin No. 219, Wis. Dept. of Rev. (10/22). The Wisconsin Department of Revenue (Department) explains that the sale or purchase of a non-fungible token (NFT) – that is, “a unique digital identifier that is recorded in blockchain” and used to “certify authenticity and ownership of a particular product and cannot be copied or substituted” – may be taxable if the underlying product, good, or service is taxable in Wisconsin. For example, regarding an NFT entitling the purchaser to download music or movies, the Department explains that the sale of such NFT is a taxable specified digital good in Wisconsin. Regarding an NFT entitling the purchaser an admission to a sporting event, the Department explains that the sale of such NFT is a taxable admission in Wisconsin. Regarding an NFT entitling the purchaser to a tangible piece of artwork, the Department explains that the sale of such NFT is taxable tangible personal property in Wisconsin. Please contact us with any questions.

URL: <https://www.revenue.wi.gov/WisconsinTaxBulletin/219-10-22-WTB.pdf>

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