

Sales/Use/Indirect:

Utah: Online Streaming Entertainment Company Owes Tax on Monthly Subscription Fees as Bundled Transactions

Appeal No. 22-1274, Utah State Tax Comm. (9/19/23). In a ruling involving a multinational provider of licensed and original entertainment programming that offers subscriptions to its streaming services platform for a monthly fee that includes the ability to download programming and view it offline, the Utah State Tax Commission held that while the company's online streaming alone is not subject to Utah sales tax under state law, Utah may impose sales tax on the monthly subscription fees in this case as a bundled transaction. In doing so, the administrative law judge explained that based on the provided facts, the company did not prove by reasonable and verifiable standards that there was no charge for the offline-download feature embedded in its total subscription price during the audit period at issue, and thus the entire monthly subscription price is taxable as a bundled transaction. Please contact us with any questions.

URL: <https://tax.utah.gov/commission/decision/22-1274.pdf>

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