

Gross Receipts:

Washington DOR Explains B&O and Sales Taxation of Digital Entertainment Subscriptions

Publication – Tax Topics: Digital entertainment, Wash. Dept. of Rev. (12/12/23). The Washington Department of Revenue (Department) issued a publication explaining the Washington sales/use and business and occupation (B&O) tax consequences of certain transactions involving digital entertainment – specifically that Washington retail sales tax applies to digital entertainment subscription fees and that digital entertainment providers must collect and submit Washington retail sales tax, and pay B&O tax under the retailing classification, if they have a physical presence in Washington and have subscribers located in Washington. Regarding digital entertainment subscriptions, the Department clarifies that such subscriptions allow a user to download digital products such as movie streaming, videos, television programming, music, e-books, mobile apps, and games, and that it does not matter if the user pays for permanent or limited (e.g., 24-hour period) use rights. Please contact us with any questions.

URL: <https://dor.wa.gov/forms-publications/publications-subject/tax-topics/digital-entertainment>

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