

Sales/Use/Indirect:

South Carolina DOR Says Digital Books Sold to College Students Qualify for Textbook Exemption

Private Letter Ruling #24-2, S.C. Dept. of Rev. (3/18/24). A recently posted South Carolina Department of Revenue (Department) private letter ruling concluded that based on the provided facts, certain digital books sold by a company to college and university students constituted textbooks used in a course of study in institutions of higher learning, and thus were exempt from state sales and use taxes pursuant to South Carolina's textbook exemption under S.C. Code section 12-36-2120(3)(a) despite their digital format. In doing so, the Department reasoned that for purposes of the exemption, a "textbook" may include additional alternate forms of the traditional printed textbooks beyond those specifically enumerated by statute and regulation – so long as the alternate form does not constitute a "communications service." In the case at hand, the "eTextbooks" purchased by students were digital, downloadable versions of a printed textbook, and the Department reasoned that this digital format did not change the educational content of the book – all of which were offered to and purchased by college and university students for their prescribed courses of study. Please contact us with any questions.

URL: <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/SPLR24-2.pdf>

— Ryan Trent (Charlotte)
Managing Director
Deloitte Tax LLP
rtrent@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.