

## Sales/Use/Indirect:

### Indiana: Video Game Publisher's Optional Subscriptions, In-Game Items, and Virtual Currency are Not Taxable

*Revenue Ruling 2024-04-RST*, Ind. Dept. of Rev. (1/7/25). An Indiana Department of Revenue ruling involving an out-of-state video game publisher that does *not* sell video games but does offer purchasers of its video games (*i.e.*, purchased from a related entity that sells the video games in electronic format directly to customers and through third-party vendors) optional i) monthly subscriptions; ii) in-game items; and iii) virtual currency that such optional items are *not* subject to Indiana sales tax because they do not constitute tangible personal property or specified digital products. Under the facts, while the publisher does *not* sell customers the video games, it does offer them the “option to enhance their gaming experience through the purchase of three additional items.” Each of these optional items is offered after the sale of the video game and include:

**URL:** <https://iar.iga.in.gov/register/20250122-IR-045250012NRA>

1. A monthly online subscription that allows the player to play the game in an online, multi-player setting;
2. In-game items, such as costumes or weapons, or time saving enhancements; and
3. Virtual currency that allows the purchaser to acquire in-game items or pay for the monthly online subscription within the game.

Under these facts, the ruling explains that services in Indiana generally are not subject to Indiana sales and use tax unless specifically enumerated under law. Although specific digital products are subject to tax in Indiana, the ruling concludes that the publisher's offerings in this case do not meet the definitions of such and therefore are not subject to Indiana sales tax. Please contact us with any questions.

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