

Sales/Use/Indirect:

Utah: ALJ Concludes that Online Streaming Platform's Subscription Fees are Fully Taxable as Bundled Transactions

Appeal No. 22-1274, Utah State Tax Commission (5/1/25). An administrative law judge (ALJ) with the Utah State Tax Commission held that Utah law imposes sales tax on the subscription fees that a company charges its Utah customers for using its streaming service platform. Under the facts, the company charges a flat subscription fee for use of its streaming service platform, and the streaming service platform includes a number of distinct and identifiable features that are sold for one non-itemized price, including online-streaming products and offline-download products. In this respect, the ALJ concluded that the subscription fees for the streaming service platform constitute a bundled transaction, the entire transaction of which is subject to taxation. The ALJ noted that the company failed to provide any books and records to separately identify by "reasonable and verifiable standards" how much of the subscription fee is attributable to its online-streaming product versus the offline-download product, as well as how much of the subscription fee is attributable to its other features. Therefore, according to the ALJ, the entire bundled transaction is subject to Utah sales and use taxes. Please contact us with any questions.

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

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