

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1120

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Version: As Introduced

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Subject: Exempting ring tones from the sales tax

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This bill exempts the sales of ring tones from the sales tax by removing it from the definition of taxable telecommunications. To be in compliance with the Streamlined Sales and Use tax Agreement (SSUTA), the state must use product definitions adopted under the agreement. Under SSUTA, ring tones are part of the definition of digital audio downloads, which are not taxed in this state. This is one of three changes necessary for the state to be in compliance with SSUTA; the other two compliance issues are addressed in H. F. 1005. The change is effective for sales after June 30, 2011.