

HOUSE RESEARCH

Bill Summary

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Subject: Sales tax exemption for certain online presentations

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Provides a sales tax exemption for certain live and prerecorded presentations, classes and seminars, that might otherwise be taxable as digital audio or audiovisual works. Digital audio works and digital audio visual works became taxable June 30, 2013. To be exempt under this provision the presentation must meet both of the following criteria:

- the presentation must allow the online participants to interact with the presenter and each other during the time the participants access the presentation, although the presenter may limit the amount and timing of the interaction (i.e. at the end); and
- if participants have the option of attending the presentation in person, the in person and online participants are subject to the same interaction rules and admission to the presentation is not subject to sales tax under this chapter.

This exemption should apply to online classes and educational webinars, but not to most digital audio or audiovisual works of movies, theater, concerts, or other popular entertainment. Effective for sales and purchases made after June 30, 2014.