

MINNESOTA • REVENUE

SALES AND USE TAX Digital Seminars

March 14, 2014

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 1842 (Rest) As Proposed to be Amended (SCS1842A-1)

	Fund Impact			
	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>	<u>F.Y. 2016</u>	<u>F.Y. 2017</u>
		(000's)		
All Funds	\$0	\$0	\$0	\$0

Effective for sales and purchases made after June 30, 2014.

EXPLANATION OF THE BILL

This bill as proposed to be amended would exempt charges for live or pre-recorded presentations, such as a lecture, seminar, workshop, or course, where participants access the presentation as a digital audio work or digital audiovisual work. The participants must be connected electronically and the audience members and the presenter must be able to discuss information with each other. For presentations where participants have the option to attend in person, the admission to the presentation must not be subject to sales tax.

REVENUE ANALYSIS DETAIL

- In the 2013 Legislative Session, the sales tax was imposed on digital products. This bill as proposed to be amended would make the taxation of those digital products consistent with what was understood to be the intent of 2013 legislation and with the estimates that were made for that legislation and are included in the end-of-session budget. Therefore the bill as proposed to be amended would have no revenue impact.

Source: Minnesota Department of Revenue
Tax Research Division
www.revenue.state.mn.us/research_stats/Pages/Revenue-Analyses.aspx

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