

## Sales/Use:

### Utah Administrative Ruling Holds that Online Access to Training Platform is Taxable

*Private Letter Ruling No. 19-003*, Utah State Tax Comm. (5/20/21). The Utah State Tax Commission (Commission) recently released a private letter ruling involving a company engaged in providing an online professional training platform, which held that subscription access to the company's platform is subject to Utah sales and use taxes when the purchasers/users/subscribers are located in Utah, because the "essence of the transaction" of the company's subscription sales is the sale of the right to use the downloadable prerecorded videos and related cloud-based software tools rather than a sale of personal services of the company's training personnel. In doing so, the Commission reasoned that under the provided facts, the services of the company's sales personnel are *not* personal services provided to purchasers/users in exchange for the subscription fees, but rather the company's sales personnel "interact with the skills development leaders of potential customers" to generate sales for the company. In this respect, "these services develop and enhance the value of the product sold for the subscription fees." Please contact us with any questions.

**URL:** <https://tax.utah.gov/commission/ruling/19-003.pdf>

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