

Sales/Use/Indirect:

West Virginia Division of Taxation Explains Taxability of Streaming Entertainment Services

Publication TSD-445, W.Va. Tax Div. (rev. 3/23). The West Virginia Tax Division (Division) issued guidance explaining that generally all sales of streaming services in West Virginia are subject to state sales and use tax (*i.e.*, the West Virginia Consumer Sales and Service Tax and Use Tax), and there is no enumerated tax exemption for the provision of streaming services in West Virginia. In doing so, the Division explains that a streaming service provider generally is a supplier of entertainment (*e.g.*, music, movies, video games, etc.) or other content delivered electronically, usually by an internet, satellite or cable connection to the user's computer, television, mobile device, or any other device that can be used to access the content. According to the Division, streaming services are different than sales of digital products, which are specific, identifiable items; for example, a consumer may buy or rent a movie at a specified price for download and will then have bought or leased the digital product. In contrast, when a consumer purchases streaming services, the consumer generally has bought access to curated entertainment content in the streaming service's catalog, but the consumer has not bought a right to any one specific digital product. The Division also notes that an additional municipal sales or use tax not greater than 1% may also apply if the sale of streaming services is sourced to a West Virginia municipality that imposes a municipal sales and use tax. Please contact us with any questions.

URL: <https://tax.wv.gov/Documents/TSD/tsd445.pdf>

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