



COLORADO
Department of Revenue

Taxation Division

Physical Address:
1375 Sherman Street
Denver, CO 80203

Mailing Address:
P.O. Box 17087
Denver, CO 80217-0087

GIL-16-009

June 23, 2016

XXXXXXXXXXXXXXXXXX
Attn: XXXXXXXXXXXXX

Re: Web Seminars

Dear XXXXXXXXXXXX,

You submitted on behalf of XXXXXXXXXXXXX ("Company") a request for guidance concerning web seminars.

The Colorado Department of Revenue ("Department") issues general information letters and private letter rulings. A general information letter provides a general overview of the relevant tax issues and is not binding on the Department. A private letter ruling provides a specific determination for a specific set of facts, is binding on the Department but not on the taxpayer, and requires payment of a fee. For more information about general information letters and private letter rulings, please see Department regulation 24-35-103.5 at www.colorado.gov/revenue/tax > Tax Library > Rulings.

The Department treats this request as a general information letter. It is important to remember that general information letters, such as this one, are general discussions of tax law and are not binding on the Department. If Company would like the Department to issue a private letter ruling on the issue raised here, Company can submit a request and pay the fee in compliance with Department Rule 1 CCR 201-1, 24-35-103.5.

Issues

1. Is a charge for attending a live seminar via the web subject to sales tax?
2. Is a charge for watching a pre-recorded seminar via the web subject to sales tax?
3. Is a charge for accessing a self-study material via the web subject to tax?

Background

Company offers tax guidance to clients and requests guidance from the Department on the three issues listed above.

Structure of Analysis

To determine whether Company is required to collect sales tax, the Department will examine the following questions:

1. Is Company selling tangible personal property pursuant to § 39-26-104(1)(a)?
 - a. Is the true object of the transaction the sale of tangible personal property or a non-taxable service?

Discussion

The Department previously issued guidance on the taxability of charges to view a live seminar via an electronic transmission in which we stated that the charge is not taxable because it is a service.¹ The Department also provided guidance on the taxability of a charge to view a pre-recorded seminar via an electronic transmission in which we stated that the charge is subject to tax, just as renting an instructional video in a DVD format or via the web is subject to tax.² Finally, we have issued guidance that a charge for a self-study course is subject to tax because there is no instruction that would qualify the transaction as a service.³ These self-study courses are distinguished from the live seminar where an instructor provides educational services.

Miscellaneous

This letter represents the good faith opinion of Department personnel who are knowledgeable on state taxes issues. However, the Department does not make a specific determination here on any of the issues raised and the Department is not bound by this general information letter.

The Department administers state and state-administered local sales and use taxes. This letter does not address sales and use taxes administered by home-rule cities and home-rule counties. You may wish to consult with local governments which administer their own sales or use taxes about the applicability of those taxes. Visit our web site at www.colorado.gov/revenue/tax for more information about state and local sales taxes.

Enclosed is a redacted version of this letter. Pursuant to statute and regulation, this redacted letter will be made public within 60 days of the date of this letter. Please let me know in writing within that 60 day period whether you have any suggestions or concerns about this redacted letter.

Sincerely,

Neil L. Tillquist
Colorado Department of Revenue

¹ See General Information Letter GIL-12-013

² See Private Letter Ruling PLR-16-007

³ See GIL-08-010 and PLR-16-007