



COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy
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Denver, CO 80217-0087

DOR_TaxPolicy@state.co.us

GIL-09-025

May 13, 2009

XXXXXXXXXXXXXXXXXX
Attn: XXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

Re: Taxability of downloaded documents

Dear XXXXXXXXXXXXX,

You request guidance regarding the taxability of documents downloaded from the Internet. The department issues general information letters and private letter rulings. A general information letter provides a general overview of the applicable tax law, does not provide a specific determination, and is not binding on the department. A private letter ruling is a determination of the applicability of tax to a specific set of circumstances and is binding in the department. A party requesting a private letter ruling must provide certain information and remit a fee. For more information about general information letters and private letter rulings, please refer to the Department's regulation 24-35-103.5, C.R.S., which is available on our web site at: www.taxcolorado.org > FYI/Publications > Rulings.

We will initially treat your request as one for a general information letter. You may resubmit your request as a private letter ruling.

Issue

Are documents downloaded by customers from the Internet subject to sales or use tax?

Background

You have a client that dispenses educational knowledge documents to customers via the Internet. The client provides a link on its website that allows a paying customer access to pdf documents, which are downloaded to the customer's computer. These documents can then be printed and used as instructional tools.

Discussion.

Colorado imposes sales and use tax on the sale, use, storage, or consumption of tangible personal property. §§39-26-104 and 202, C.R.S. Tangible personal property is defined as

corporeal property. §39-26-102(15), C.R.S. Electronic data is corporeal property and the sale of this data is subject to sales and use tax.

As noted earlier, you can submit your request as a private letter ruling if you would like a specific determination regarding the circumstances set forth above.

Miscellaneous

Enclosed is a redacted version of this ruling. Pursuant to statute and regulation, this redacted version of the ruling 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 version of the ruling.

Sincerely,

Office of Tax Policy
Colorado Department of Revenue