DIGITAL GOODS TAXATION DECISION TREE

Is it digital?
- Data (e.g. music, movies, books, financial statistics), facts, knowledge, or procedures in electronic form delivered by tangible or intangible means.
- Subject to B&O tax (retailing or service) and possibly RST.

Yes

True object of transaction:
- The sale of a product versus the sale of a service?
- The sale of standard information or customized?

Product

Does the customer have possession of the digital good?

Yes

Transaction is Retail Sale.
- Is there an exemption to RST?

No

Service

Is the service statutorily defined as a retail sale?

No

Service and other activities B&O
- NOT subject to RST

No

Service and other activities B&O
- NOT subject to RST

Yes

Retailing B&O
- NOT subject to RST

Yes

Receiving B&O
- Subject to RST

No

Receiving B&O
- Subject to RST

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