

Digital Goods
State Fiscal Estimate; Cash
Chairman Hunter's Proposed Language
 \$ million

<u>1. Exemption, Digital Goods & Services</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>09-11</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>11-13</u>
Retail sales and use tax impact (state loss)	-7.1	-9.2	-16.3	-10.6	-11.9	-22.5
 <u>2. Imposition of Sales and Use Taxes to digital codes, digital goods, digital automated services, and other digital services</u>						
Net gain from sales and use tax extension with B&O tax decrease (rate from 1.5% to 0.471%)	10.3	14.5	24.8	16.4	18.3	34.7
 <u>3. Total Impact</u>	 3.3	 5.3	 8.6	 5.8	 6.4	 12.2

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1. Sales and Use Tax Exemption for Digital Goods & Services	FY 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
i. Sales for resale	-2.7	-3.5	-4.0	-4.5	-5.0	-5.4	-5.8	-6.2	-6.7	-7.3
ii. Ingredients and components of another good	-2.7	-3.5	-4.0	-4.5	-5.0	-5.4	-5.8	-6.2	-6.7	-7.3
iii. Inputs made available on websites for expected ad revenues	-1.7	-2.2	-2.6	-2.9	-3.2	-3.4	-3.7	-4.0	-4.3	-4.7
iv. Proposed Exemption , Sum of i, ii, and iii above	-7.1	-9.2	-10.6	-11.9	-13.1	-14.1	-15.3	-16.5	-17.8	-19.2
2. Imposition of Sales and Use Taxes to Digital Codes, Digital Goods, Digital Automated Services, etc... (unless exempted above)										
Net gain, sales and use tax extension with B&O tax decrease (1.5% rate to 0.471%)										
a. ¹ Digital automated services: on-line services, on-line games, etc...	4.1	5.8	6.6	7.4	8.2	8.8	9.5	10.3	11.1	12.0
b. Remote access, prewritten software; i.e. on demand- software, application service providers, or software as a service	0.2	0.4	0.6	0.9	1.3	1.8	2.4	3.0	3.7	4.3
c. Streaming audio/video, pay per program, or audio/video on-demand	6.0	8.3	9.2	10.0	10.7	11.3	12.0	12.7	13.5	14.3
Subtotal , Sum of a, b, and c above	10.3	14.5	16.4	18.3	20.1	21.9	23.9	26.1	28.3	30.6
3. Total Impact; Imposition minus Exemption	3.3	5.3	5.8	6.4	7.0	7.8	8.7	9.6	10.5	11.4

Footnote 1: e.g. legal and other research services, online dating services, genealogy services, tax services, fantasy sports leagues, online games, etc.