

# Conclusion

This committee agrees that legislation implementing digital goods tax policy is necessary in 2009 to establish certainty in our tax code, to maintain conformity with the SSUTA and to encourage economic development.

**Deleted:** We hope the Legislature finds this report useful as it considers the complex issues raised by the taxation of digital products.

Taxpayers are concerned of inadvertent consequences resulting from adoption of a general/broad imposition approach when considering the appropriate tax policy for digital goods. On the contrary, government expressed concerns of diminishing revenues from adoption of a specific/narrow imposition approach when considering the appropriate tax policy for digital goods. These issues prevented consensus on a specific tax policy proposal.

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The Committee believes consensus for future legislation adopting a general/broad imposition approach to the taxation of digital products is possible, but only if such legislation:

- Contains a comprehensive and easily administered broad based set of business exemptions for digital products;
- Provides amnesty to taxpayers who failed to pay and/or collect tax on digital products for prior periods;
- Maintains conformity with the SSUTA definitions; and
- Protects and promotes the location of server farms and data centers in Washington.

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The Department appreciates the opportunity to work with the Study Committee members and looks forward to continuing to support the members' efforts to find common ground in this area before the upcoming legislative session.

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The Department appreciates the opportunity to work with the Study Committee members and looks forward to continuing to support the members' efforts to find common ground in this area before the upcoming legislative session.