

Revenue Information Bulletin
No. 11-005
February 14, 2011
Sales Taxes

Frequently Asked Questions Relating to RIB 10-028
Temporary Suspension of Policy Statements Pertaining to Digital Transactions

The Department released [Revenue Information Bulletin 10-028](#) stating that it has temporarily suspended the implementation of two Policy Statements pertaining to digital products. These two Policy Statements are [Revenue Ruling No. 10-001](#) and [Revenue Information Bulletin No. 10-015](#). The following are answers to questions frequently asked of the Department related to the suspension of the two Policy Statements.

1. Are sales taxes still imposed upon the sale, use, or lease of canned computer software or software maintenance agreements?

Yes, sales tax continues to be imposed upon these transactions. Three policy statements related to the sales taxation of canned computer software, computer software maintenance agreements, and electronic discovery services continue to represent the position of the Louisiana Department of Revenue and are not suspended including:

- A. [Revenue Ruling 02-008](#) - Custom Computer Software to be Excluded from the definition of Tangible Personal Property
- B. [Revenue Ruling 04-001](#) - State Sales Taxability of Charges for Computer Software Maintenance Agreements
- C. [Redacted Private Letter Ruling 05-003](#)- Sales Tax Treatment of Electronic Discovery Services

2. Which transactions involving the sale, use or lease of digital products are included in the suspension?

The suspension of Revenue Ruling 10-001 affects only transactions in which the customer pays an access fee or subscription fee to obtain the use but not ownership of a website or software. The suspension of Revenue Information Bulletin 10-015 affects only Pay-Per-View and Video-on-Demand movies purchased for viewing by customers of cable television and satellite television providers.

3. Which digital products transactions are not included in the suspension?

The sale or use of a downloaded digital product such as music, a movie, book or game is a taxable transaction. These transactions fall within the definition of tangible personal property found in LAC 61:I.4301 *Tangible Personal Property*. This rule lists items considered to be examples of tangible personal property, which include durable goods, consumable goods, utilities, digital or electronic products such as canned computer software, electronic files, and “on-demand” and “video” downloads. This rule was published in the February 2003 issue of Louisiana Register. The publication of this rule was also announced in the Department’s July 2003 issue of [Tax Topics](#). This rule has not been suspended or repealed.

Cynthia Bridges
Secretary

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