



ATRA SUPPORT HB2479/SB1392

Make Clear in Law the Taxation of Digital Goods & Services

- Arizona presently lacks the statutory clarity in the realm of taxation of digital goods and services
- AZ only has one adopted rule, taxing prewritten software delivered by any means (R15-5-1592)
- AZ has no laws or rules related to Digital Goods or Digital Services, only private taxpayer rulings
- Lack of clarity is an economic impediment, creating uncertainty & restricting capital investment

WHAT DOES THE BILL DO?

- Codifies the 2005 rule taxing prewritten software delivered by any means
- Clarifies when digital goods will be taxable
- Excludes digital services from tax
- Makes the tax uniform between state & city level

WHEN IS A DIGITAL GOOD TAXABLE?

- When the sale or rental provides the customer the right for it to be “transferred electronically”
- User gains the right to a copy which can be transferred to their device
- Permanence of transfer not a factor

Quick Reference Chart

