

## **GIL 1-16-1 Sales and Use Tax: Streaming Television**

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May 11, 2016

Dear XXXX:

This correspondence is in response to your April 18, 2016 inquiry regarding the taxation of Internet protocol television and video service. Based on the information contained in your letter we are providing this General Information Letter (GIL).

GILs address general questions; provide analysis of issues; and direct taxpayers to the Nebraska statutes, Nebraska Department of Revenue (Department) regulations, revenue rulings, or other sources of information to help answer a question. A GIL is a statement of current Department policy, and taxpayers may rely on the Department to follow the principles or procedures described in a GIL until it is rescinded or superseded. You may also find current regulations, revenue rulings, information guides, taxpayer rulings, and other GILs at [revenue.nebraska.gov](http://revenue.nebraska.gov) that may be helpful to you.

As provided in [Revenue Ruling 01-11-3](#), sales of products defined as “digital audio-visual works” are subject to tax when sold to the end user. Digital audio-visual works is defined as a series of images which, when shown in succession, impart an impression of motion. Included within the definition are videos, news and other television programs, and live events. Therefore, sales of both Internet protocol television and streaming video services are subject to tax as the sale of digital audio-visual works. Such sales are subject to tax when delivered or transferred to servers or other electronic devices in Nebraska.

The sale of digital audio-visual works is taxable whether the purchaser receives a permanent or temporary right of use. Persons operating under a certificate from the FCC with the right or license to rebroadcast the digital audiovisual work to the general public by television or other means are not considered an “end user” and may purchase the item for resale.

For the Tax Commissioner

Sincerely,

Ellen Thompson  
Tax Specialist  
Policy Section