

City of Colorado Springs

Tax Guide

Digital Products

Digital Products and goods are subject to the City of Colorado Springs sales or use tax.

Digital products are often transferred to the consumer through, streaming, subscription services, satellite, networking, download or remote access. City sales or use tax applies to all digital products regardless of how they are accessed. It is not necessary for the purchaser of the digital property to obtain a permanent right of use.

Examples of taxable digital goods include e-books, resource materials, manuals, audio and video works, apps, imagery, ringtones, games, web site templates, software, and similar items which can be accessed and or perceived by the senses.

Digital codes, remote access software keys, activation codes provide the purchaser with the right to obtain one or more digital product. Digital codes are taxed in the same manner as digital products.

The purchase of a prepaid card used to acquire digital property is generally not taxed until the prepaid card is used to purchase or access the property.

CS CODE SECTION

2.7.104 Words and Phrases:
Engaged in Business,
Purchase or Sale,
Retailer
2.7.102, 2.7.201, 2.7.309,
2.7.312

This guide provides an overview of specific subject matter and is not intended to be substituted for the full text within the City of Colorado Springs Tax Code.

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Non-Taxable Digital Product Services

Digital products and goods that are services are not subject to city sales or use tax. Common examples include the purchase of internet access, fees for payment processing services, fees to access live interactive classes, or other services expressly exempt in City Code.

Question? email us at:
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