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MEMORANDUM

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: February 18, 2021

Subject: House Bill No. 2230

Summary

House Bill No. 2230 would impose sales tax on sales of digital property and subscription services.

Section 1 – defines the new terms: (1) applications; (2) digital audio-visual works; (3) digital books; (4) digital code; and (5) digital property. The remaining terms in KSA 79-3602 were appropriately alphabetized.

Section 2 – imposes sales tax on all sales of digital property and subscription services regardless of whether: (1) the purchaser has the right to permanently use the property; (2) the purchaser’s right to access or retain the property is not permanent; or (3) the purchaser’s right to use is conditioned upon continued payment.