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goods and services. If House Bill 594 is enacted as written, audiovisual works, electronic books, video games, and a host of other digital products and services would ...

Gail Cole • Mar. 22, 2021



Lawmakers in [Georgia](#) are looking to extend the state's sales and use tax to digital goods and services. If [House Bill 594](#) is enacted as written, audiovisual works, electronic books, video games, and a host of other digital products and services would be subject to sales and use tax starting July 1, 2021.

The bill defines “digital goods or services” as follows:

A digital code (i.e., a key, activation, or enabling code that provides a purchaser with

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Specified digital products or prewritten computer software delivered electronically to an end user, regardless of whether the rights to access or utilize are permanent or less than permanent, or whether the end user must make continued payments for the right to use or access

Specified digital products or prewritten computer software for which rights may be permitted for access or use, and for which possession is maintained by the seller or a third party, regardless of whether charges to access or use are on a per use, per user, per license, subscription, or some other basis

The bill also extends sales and use tax to the following “specified digital products”:

- Artwork
- Audio greeting cards
- Audio works
- Audiovisual works
- Books
- Magazines
- Newspapers
- Periodicals
- Photographs
- Video games
- Video greeting cards

According to the [Georgia Budget and Policy Institute](#), “sales of items like digital downloads are not taxed because lawmakers have not proactively updated the tax code to include them.” H.B. 594 would rectify that if enacted, though whether the measure has the support needed to become law remains to be seen. Similar measures introduced in the past, [most recently in 2020](#), never made it to a vote.

Digital products and services are currently subject to sales tax in approximately 30

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