

Iowa Tax Reform Guidance: Clarifying the Definition of “Pay Television”

Iowa Governor Kim Reynolds signed Senate File 2417, an extensive state tax reform bill to improve the tax structure in Iowa. The 2018 Iowa Tax Reform Bill includes a clarification regarding the definition of “pay television” as a taxable service. This is a clarification of existing law and therefore applies to all tax years - past and present.

What has been clarified?

The bill clarifies that “pay television” includes, but is not limited to, these services:

- Streaming video
- Video-on-demand
- Pay-per-view



This clarification confirms the Department’s 2016 declaratory order, *In re Amazon Services LLC*, that found streaming video service is taxable under the definition of “pay television.”

What does this mean?

- The definition of “pay television” has been clarified to include streaming video, video-on-demand, and pay-per-view services. This clarification applies to all tax years.



Mission Statement:

The mission of the Iowa Department of Revenue is to serve Iowans and support state government by collecting all taxes required by law, but no more.