



# TaxNewsFlash

## United States



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## KPMG reports: Colorado (online learning platform); Virginia and Washington (bag tax); West Virginia (streaming services)

KPMG's This Week in State Tax—produced weekly by KPMG's State and Local Tax practice—focuses on recent state and local tax developments.

- **Colorado:** The Department of Revenue applied the “true object” test and ruled that a taxpayer was selling tangible personal property. The taxpayer provided customers access to an online learning platform offering a streaming video lesson, a written transcript of that lesson, and access to online tutors. While the subscription plans also included service elements, in the Department of Revenue's view, the learning plan products were more analogous to the sale of tangible personal property and were subject to state and state-administered sales and use tax. Read a [September 2021 report](#)
- **Virginia:** As early as January 1, 2021, Virginia localities may impose the Virginia disposable plastic bag tax by ordinance. The tax is five cents on each disposable plastic bag provided to purchasers by any grocery store, convenience store, or drugstore in each locality that has adopted a bag tax ordinance. The bag tax will be administrated by the Department of Revenue in the same manner as sales and use taxes, and retailers that collect the tax will be entitled to a dealer discount. Read a [September 2021 report](#)
- **Washington:** Effective October 1, 2021, certain types of plastic bags are banned, and retailers are required to collect an eight-cent charge on every compliant paper and plastic bag provided to customers. The eight-cent charge is retained by the collecting retailer and is subject to retail sales tax. Read a [September 2021 report](#)
- **West Virginia:** The Department of Revenue issued guidance clarifying that streaming services are subject to sales and use tax. Under West Virginia law, all sales of services are subject to sales and

use tax unless there is a specific exception or exemption. There is no exemption for streaming services. Read a [September 2021 report](#)

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