



Tax and Licensing Division
15151 E. Alameda Parkway, Ste. 5700
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Tax Compliance Guide

Pay Television and Entertainment Services

(9/2022)

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT AURORA TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE AURORA MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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The *Aurora Municipal Code* imposes a sales/use tax upon the purchase price paid for "television and entertainment services". Television and entertainment services are audio or visual content that can be transmitted electronically, by any means, for which a charge is imposed. Retailers selling such services in the City must obtain a license and collect and remit Aurora sales tax.

Hotels which charge for television and entertainment services, such as pay-per-view movies and other digital content, must collect and remit Aurora sales tax on these charges.

Video Transmitted via Internet

The definition of "television and entertainment services" includes broadly "audio or visual content that can be transmitted electronically". This encompasses all charges for the transmission of visual images, audio, or similar digital goods. Charges for television and entertainment services transmitted via the internet are taxable whether billed on a pay-per-view or a periodic subscription basis, as well as both downloaded and streaming content.

Direct Broadcast Satellite

Television services delivered via direct broadcast satellite meet the definition of taxable pay television services under the *Aurora Municipal Code*. Section 602 of the *Telecommunications Act of 1996* precludes the City from requiring providers of these services to collect sales tax. However, the end-user of such services is responsible for remitting use tax on the pay television services on their next periodic return.

Audio Entertainment

Fee-based audio products, such as music subscriptions, book subscriptions, or podcast-type products, are subject to the Aurora sales/use tax. The tax is due on the amount charged, whether it is billed per use or as a periodic subscription. Digital downloads of music, audiobooks, and similar digital goods are also taxable as sales of tangible personal property.

Examples

1. The owner of a restaurant located in Aurora pays a monthly charge to a licensed Aurora cable provider for television services. The owner of the restaurant must pay Aurora sales tax on the subscription or monthly charges for the services.

2. The owner of a bar located in Aurora pays a monthly subscription fee to a direct broadcast satellite television service, which per federal statute is not required to collect local sales taxes on the service. The owner of the bar must remit use tax on the amount paid for the television services since no Aurora sales tax was collected by the provider.
3. The owner of an Aurora coffee shop pays a monthly charge to a music streaming service for an audio subscription to play background music for customers. The owner of the coffee shop must pay Aurora sales tax on the subscription or monthly charges for the services. If no Aurora sales tax is charged by the provider, the owner must remit use tax for the charges on their next periodic sales and use tax return.

Related Topics

Lodging Industry
Restaurants & Bars
Use Tax

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-33. Legislative Intent
§ 130-156. Taxable Items
§ § 130-160. Responsibility for payment
§ 130-161. Schedule of Taxes
§ 130-196. Levy
§ 130-199. Use tax credit

Contact Us

For additional assistance, please contact us:

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