



Indiana Department of Revenue

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Sales Tax Information Bulletin #17

Subject: Application of Indiana Sales Tax to Cable or Satellite Television or Radio Service

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Summary of Changes

Apart from technical, nonsubstantive changes, this bulletin has been revised to include a new introduction section.

Introduction

Generally, transactions involving services are not taxable retail transactions. However, the furnishing of cable television or radio service and the furnishing of satellite television or radio service that terminates in Indiana are taxable retail transactions. Therefore, all cable or satellite television companies and radio service providers must register as retail merchants and collect and remit Indiana sales tax on charges made for cable, satellite television, or radio service.

Exceptions

Indiana sales tax does not apply to separately stated initial installation charges, nor does it apply to charges related to the construction, servicing, or removing of tangible personal property which is used in connection with the furnishing of cable television or radio service or satellite television or radio service.

Exempt Purchases by Cable or Satellite Television Provider

Transactions involving tangible personal property are exempt from Indiana sales tax if the property is a part of a national, regional, or local headend or similar facility operated by a person furnishing video services, cable radio services, satellite television or radio services, or internet access services using the property to furnish video services, internet access services, or Voice Over Internet Protocol (VOIP) services, and the person acquiring the property uses the property to furnish video services. A headend facility is a master facility for receiving signals for processing and distribution over a cable television system. The facility is normally surrounded by some type of security fencing and is typically a building housing electronic equipment used to receive and retransmit video or local cable infrastructure.

If you have any questions concerning this bulletin, please contact the Tax Policy Division at taxpolicy@dor.in.gov.



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