



In this issue:

Sales/Use/Indirect: South Carolina DOR Says Digital Books Sold to College Students Qualify for Textbook Exemption 1

Property: Ohio Board of Tax Appeals Says Pandemic Significantly Impacted Hotel Valuation for Tax Year 2020 2

Multistate Tax Alerts..... 2

Sales/Use/Indirect:

South Carolina DOR Says Digital Books Sold to College Students Qualify for Textbook Exemption

Private Letter Ruling #24-2, S.C. Dept. of Rev. (3/18/24). A recently posted South Carolina Department of Revenue (Department) private letter ruling concluded that based on the provided facts, certain digital books sold by a company to college and university students constituted textbooks used in a course of study in institutions of higher learning, and thus were exempt from state sales and use taxes pursuant to South Carolina’s textbook exemption under S.C. Code section 12-36-2120(3)(a) despite their digital format. In doing

so, the Department reasoned that for purposes of the exemption, a “textbook” may include additional alternate forms of the traditional printed textbooks beyond those specifically enumerated by statute and regulation – so long as the alternate form does not constitute a “communications service.” In the case at hand, the “eTextbooks” purchased by students were digital, downloadable versions of a printed textbook, and the Department reasoned that this digital format did not change the educational content of the book – all of which were offered to and purchased by college and university students for their prescribed courses of study. Please contact us with any questions.

URL: <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/SPLR24-2.pdf>

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Property:

Ohio Board of Tax Appeals Says Pandemic Significantly Impacted Hotel Valuation for Tax Year 2020

Case No. 2021-2848, Ohio BTA (3/22/24). In a case involving a hotel’s tax valuation for tax year 2020 where the underlying auditor valued the property consistent with a sale transfer that occurred in August 2019, the Ohio Board of Tax Appeals (Board) held that the owner’s significantly lower appraisal constituted better evidence of value by showing diminution caused by the COVID-19 pandemic between the sale and the applicable tax lien date. In doing so, the Board explained that while not all sales that occurred before the pandemic are categorically “remote” for tax years 2020 or later years, the taxpayer in this case successfully rebutted the presumption that an arm’s-length sale is the best evidence of value with “more persuasive evidence of value” based on reviewed market and industry data, regional and neighborhood analysis, and specific information about the subject property (e.g., documentation of decreased cash flow). Please contact us with any questions.

URL: <https://ohio-bta.modria.com/casedetails/523989>

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Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

No new alerts were issued this period. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.

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