

# Sales Taxation of Online Education

*Higher Education Taxation Institute  
June 17, 2021*

**Benjamin A. Davidson**  
The University of North Carolina at Chapel Hill



1

## Agenda

---

- Why now?
- Taxation of digital goods and services
- Exclusions and exemptions for online education
- Advanced issues
- Next steps



2

2

# Why Now?

---

- The world has changed.
  - We are all selling online education.
  - Our students are across state lines.
- The law has changed.
  - Under *South Dakota v. Wayfair*, economic nexus can suffice.
  - *Plus*: Remote employees may trigger nexus with physical presence.
- The law is still changing.
  - Taxation of digital goods and services is expanding.

3

# A Year of Online Education

---



4

# Digital Goods

Tangible Personal Property

Digital Goods



**NETFLIX**

# Base Erosion

Tangible Personal Property

Digital Goods



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Sales Taxation of Online Education

Also available as part of the eCourse

[2021 Higher Education Taxation eConference](#)

First appeared as part of the conference materials for the  
2021 Higher Education Taxation Institute session

"Sales Taxation of Online Education"