

Interim Statement regarding live presentations for schools and institutions of higher education

June 9, 2025

Purpose

Engrossed Substitute Senate Bill 5814 (2025) (ESSB 5814) makes live presentations a “retail sale” subject to Washington’s retailing business and occupation (B&O) tax and retail sales tax. The Department of Revenue (Department) has been asked how this law change affects the tax treatment, if at all, of public and private elementary and secondary schools and institutions of higher education. As such, the Department is issuing this interim guidance statement concerning these types of schools and educational institutions.

Background

Under ESSB 5814, effective October 1, 2025, the sale of live presentations will be treated as a “retail sale.”[1] Accordingly, live presentations will be subject to retailing B&O tax and retail sales tax if offered other than for resale.[2]

“Live presentations” is a term that includes, but is not limited to, “lectures, seminars, workshops, or courses where participants attend either in person or via the internet or telecommunications equipment that allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time.” Laws of 2025, Ch. 422, §101.

The Department has been asked how this law change affects the tax treatment, if at all, of public and private elementary and secondary schools, and institutions of higher education.[3] This guidance does not address whether presentations that are electronically transferred may be considered the sale of a digital automated service that may be subject to an exclusion under RCW 82.04.192(3)(b).

Based on the relevant statutory language, the larger statutory framework, and the legislative intent for ESSB 5814, we conclude the following:

Public and private elementary and secondary schools

Public and private elementary and secondary schools that provide lectures, seminars, workshops, courses, or other programs are not considered to be engaged in providing live presentations. The Department does not consider a public or private elementary or secondary school's accreditation when making this determination.[4] As a result, charges made by public and private elementary or secondary schools for lectures, seminars, workshops, courses, or other programs are not retail sales. However, public and private elementary and secondary schools may owe sales tax on live presentations they purchase from third parties.

Example 1 – Courses as part of tuition fees

Facts: Elementary Ed, a private elementary school, charges students an annual tuition fee of \$10,000. As a part of their tuition, students may attend a series of courses on various topics over the course of a school year.

Result: Elementary Ed is not making a retail sale of live presentations.

Example 2 – Continuing education provided by an elementary or secondary school

Facts: Elementary Ed, a private elementary school, provides continuing education for its teachers, and charges \$20 per credit hour per course attended.

Result: Elementary Ed is not making a retail sale of live presentations.

Example 3 – Continuing education provided by a third-party

Facts: Elementary Ed, a private elementary school, plans to train its teachers on health and safety topics. Elementary Ed contracts with Health Corporation, an entity specializing in health and safety training. Elementary Ed pays Health Corporation \$1,000 to have a guest lecturer give an in-person, live presentation to their teachers. Health Corporation is not an elementary or secondary school.

Result: Health Corporation is providing a live presentation subject to retailing B&O tax and must collect retail sales tax on its sales to Elementary Ed.

Higher Education

Institutions of higher education are not considered to be engaged in providing live presentations for educational programs encompassed within the institution's accreditation. As a result, charges made by these institutions for lectures, seminars, workshops, courses, or other programs are not retail sales if encompassed within the institution's accreditation.[5] However, these institutions may owe sales tax on live presentations they purchase from third parties.

Example 4 – Courses provided by an institution of higher education that are within the institution's accreditation

Facts: State University, an institution of higher education as defined in sections 1001 or 1002 of the federal higher education act of 1965, charges students an annual tuition of \$20,000. As a part of their tuition, students may attend a series of courses on various topics over the course of each quarter, which are encompassed within the institution's accreditation.

Result: State University is not making a retail sale of live presentations.

Example 5 – Courses provided by an institution of higher education that are not within the institution's accreditation

Facts: Learning University, an institution of higher education as defined in sections 1001 or 1002 of the federal higher education act of 1965, plans to provide an evening lecture and discussion on the topic of evolution. The lecture is open to university students and members of the community, and there is a \$20 per person charge to attend. The lecture is not encompassed within the institution's accreditation.

Result: Learning University is making a retail sale of a live presentation subject to retailing B&O and must collect retail sales tax on the sale of the tickets to attend the lecture.

Example 6 – Continuing education provided by an institution of higher education that is not within the institution's accreditation

Facts: Legal College, an institution of higher education, as defined in sections 1001 or 1002 of the federal higher education act of 1965, will provide a live one-day continuing education event, which can be attended in-person or online. The event brings together state tax administrators, legal professionals, and academics to give, receive, and discuss topical tax issues and is not encompassed within the institution's accreditation. The charge is \$200 per person.

Result: Legal College is making a retail sale of a live presentation subject to retailing B&O tax and must collect retail sales tax on the sale of the tickets to the continuing education event.

Taxpayer Instruction

The Department will continue to review this issue for the purpose of developing final guidance. This interim statement will remain in effect until the Department issues final guidance or if new legislation is enacted. If you have questions about this guidance, please contact the Department at rulings@dor.wa.gov.

[1] RCW 82.04.050

[2] RCW 82.04.250

[3] An institution of higher education for purposes of this guidance is as defined in sections 1001 or 1002 of the federal higher education act of 1965 (Title 20 U.S.C. Secs. 1001 and 1002), as existing on July 1, 2009.


[4] To better align the tax treatment of in-person and digital lectures, seminars, workshops, and courses, and other programs provided by public and private elementary and secondary schools, the Department has applied the requirements of the exclusion under RCW 82.04.192(3)(b)(ix)(A) for online education programs. The exclusion for online education programs does not require that the course be within the accreditation of a public or private elementary or secondary school, or that accreditation is needed for these schools in general. Therefore, the Department does not consider a public or private elementary or secondary school's accreditation, or lack thereof, when determining whether "live presentations" provided by the schools are for retail sale.

[5] To better align the tax treatment of in-person and digital lectures, seminars, workshops, courses, and other programs provided by institutions of higher education, the Department has applied the requirements of the exclusion under RCW 82.04.192(3)(b)(ix)(B) for online education programs. The exclusion requires that online education programs must be encompassed within the higher education institution's accreditation. Therefore, lectures,

seminars, workshops, courses, and other programs that are part of the higher education institution's accreditation are not considered to be "live presentations" for retail sale.



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