

City and County of Denver, Colorado

TAX GUIDE

Topic No. 8

CABLE TELEVISION SERVICES

Sales of cable television services furnished to consumers located within the City are taxable. The sale of this type of service includes, but is not limited to, television programming signals transmitted through any medium, tangible or intangible. This would include transmission by use of cable or microwave transmitters or other electromagnetic means. At the present time, there is one franchised company employing the use of cable to transmit the signal in Denver. There are several companies providing service via microwave transmitters and receivers to locations such as apartment complexes, office buildings, hotels and motels.

Television viewing services furnished to customers of lodging facilities and other establishments where a charge is made in order to watch television programming are taxable. This would include, but is not limited to, hotels and motels. The responsibility for imposing and remitting the tax for this service depends upon the terms of the business relationship between the originator and final provider of the service. Services provided at a theater or similar place open to the public are exempt.

EXAMPLES

1. AA Motel subscribes to a basic service from a provider for use by its guests at no charge. This service includes local TV channels, ESPN, CNN, and HBO, received via satellite dish. This service is taxable to the motel, and is paid directly to the television service provider.
2. ZZ Motel contracts with a Denver licensed pay-per-view company to provide movies to its guests on a pay-per-view basis. The motel's guests select from a list of movies and are charged \$6.95 per movie. A charge will appear on the guest's bill for the \$6.95 plus tax. The motel acts as a collection agent for the pay-per-view company, which in turn remits the tax to the City.
3. A motel provides in-house movies to its guests for a charge. The motel is the provider of the service and is responsible to collect and remit the tax to the City.

RELATED TAX GUIDE TOPIC

Entertainment Services

* DRMC Section 53-25(6). Imposition of tax.

* DRMC Section 53-96(5). Imposition of tax.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.