

The Streamlined Sales Tax Governing Board's Finance Committee proposes the following amendment to Article VIII, Section 806.1.1 of the rules of the Streamlined Sales Tax Governing Board, Inc., to read as follows:

806.1.1 Cost Allocation Formula for Member States

- A. The operational costs of the Governing Board shall be divided among the Member States based on an equally weighted two factor formula. Fifty percent shall be an equal ~~flat~~ amount for each Member State and fifty percent shall be based on each state's proportionate share of total general retail state and local sales tax revenues collected by all Member States as reported by the U.S. Bureau of the Census for the most recent fiscal year available as of the date the dues are established January of each year. The factor based on sales tax collections shall be adjusted annually.
- B. Dues will be assessed annually on all Full and Associate Member states at the annual meeting of the Governing Board according to the formula described in Rule 806.1.5.A. Each Member State shall submit its dues no later than August 31 of each year to the Executive Director.
- C. Each state submitting a petition for membership shall include a petition fee along with its petition in the amount of \$20,000 to the Executive Director. This amount shall be held in escrow pending the date upon which the state's petition is approved by the Governing Board. If the state is admitted as either a Full or Associate Member, the fee will be retained by the Governing Board. If the petition is rejected and the state is not admitted as either a Full or an Associate Member, the fee will be returned to the petitioning state.
- D. States admitted to the Governing Board as either Full or Associate Members shall have their petition fees described in Rule 806.1.5.C applied as a credit against their dues. If assessed dues are less than the petition fee, no refund will be made.
- E. To determine dues of newly-admitted states, the calculation described in Rule 806.1.5.A will be recalculated with the new Member State(s) included in the calculation. For budgetary purposes, the recalculation will not result in a decrease of any existing Member State's dues. Dues for newly-admitted Member States will be pro-rated by their effective date of membership for the fiscal year in which they are admitted.
- F. Dues owed by a newly-admitted Member State will be payable no later than 60 days following the effective date of its admission to the Governing Board.