



Streamlined Sales Tax Project

Meeting Minutes

March 8, 2005 – Atlanta, Georgia

Scott Peterson, South Dakota, opened the meeting. Introductions were skipped.

Steering Committee

Diane Hardt
Co-Chair
Wisconsin

Scott Peterson
Co-Chair
South Dakota

Carol Fischer
Missouri

Harold Fox
New Jersey

Bruce Johnson
Utah

Eleanor Kim
Texas

Tom Kimmett
Pennsylvania

Richard Dobson
Kentucky

Marshall Stranburg
Florida

Minutes Marshall Stranburg, Florida, made a motion to accept the minutes from the January 2005 Project meeting as written. There was a second by Loren Chumley, Tennessee. All were in favor of approving the minutes per a voice vote.

Resolutions Scott Peterson stated that the Project Co-Chairs had received letters from two companies that were seeking early amnesty. Resolutions were distributed with meeting materials. The Resolutions ask that states consider granting amnesty, but leave the decision-making to the individual states. One company has already started collecting and the other would like to start in April. Loren Chumley made a motion to accept the resolutions. There was a second by Harry Fox, New Jersey. All were in favor per a voice vote.

Scott Peterson read a Resolution thanking Dan Bucks for his many years of service to state taxation and the Streamlined Sales Tax Project while serving as Executive Director of the Multistate Tax Commission. Marshall Stranburg made a motion to accept the resolution. There was a second from Dan Noble, Wyoming. All were in favor per a voice vote.

Buy downs Marshall Stranburg explained the March 7, 2005, draft of the recommended buy down language that interprets the definitions of sales price and purchase price. There was discussion that the substantive text would be placed as a rule in the Agreement, while the examples will be placed in an issue paper.

Suggested changes included revising Example 1 and Example 6 (adding loyalty cards in general) and adding examples for automotive rebates and employee discounts.

Loren Chumley made a motion to forward the draft language to the Implementing States. Marshall Stranburg seconded the motion. All were in favor per a voice vote.

Bundling

The draft of the definition of bundled transaction from the morning's small group meeting was explained by Loren Chumley. The definition would be placed in the Agreement with the following changes:

- ✓ Products would be changed to tangible personal property.
- ✓ Labels would be removed and replaced with the defined terms of "food and food ingredients," "drugs," "durable medical equipment," "mobility enhancing equipment," "prosthetics," and "over-the-counter drugs."

- ✓ Concern about paragraph 3 (delete).

Work will continue on providing additional guidance.

Marshall Stranburg made a motion to move the definition to the Implementing States. There was a second by Harry Fox. All were in favor per a voice vote.

Miscellaneous

Diane Hardt advised that teleconferences will be held in the next several weeks to finalize the exemption administration paper, MPU issues, and telecommunications definitions. Information will be sent through the listserv. The goal is to complete these issues in late March or first week of April.

Public Comment

Charles Collins commended the group for what it has been accomplished since March 2000 when the Project began. He commented that there has been a lot of participation from both state and business participants. Of the original seven Steering Committee members, five are still involved in the Project in some capacity and two remain as co-chairs of the Steering Committee (Diane Hardt and Scott Peterson).

Wayne Zakrzewski, JC Penney, and Warren Townsend, Wal-Mart, also provided comment on the accomplishments of the Project.

Loren Chumley raised concerns that states will face in their discussions about the Project:

- ✓ How do I explain all the changes to small businesses?
- ✓ How do states continue to move forward?
- ✓ Is there a way to make amendments to the Agreement.

Loren discussed the idea of amending the Agreement to allow for a two-tier membership, which would include an associate membership. There are concerns about insuring that the Governing Board can come into existence to make decisions on technology, etc. An associate membership with limited voting ability may allow for that. Language will be worked on for possible consideration at the April 16 Implementing States meeting.

Announcements

- ✓ Implementing States meeting on April 16, 2005.
- ✓ Petitioning States meeting June 30 and July 1, 2005
- ✓ Technology meeting April 19 and 20, 2005 (trying to arrange in Nashville)

Meeting adjourned.

Prepared by: Vicki Gibbons, Wisconsin
August 11, 2005.