



Streamlined Sales Tax Project

Meeting Minutes

November 18, 2004 – Chicago, Illinois

Diane Hardt, Wisconsin, 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 Diane Hardt distributed minutes from the August Project meeting. Marshall Stranburg, Florida, made a motion to accept the minutes as written. There was a second by Harry Fox, New Jersey. All were in favor of approving the minutes per a voice vote.

A summary of work group activities meetings followed.

Sourcing Bill Reisenberger, Ohio, indicated that the work group covered the following topics:

- Funeral services and property provided with such services — The group is working on an issue paper for the January meeting. A teleconference will be held the first week of December to discuss.
- MPU — ITAA asked the group to consider allowing use of the MPU to allow sellers of IT services and software to allocate based on information available. The group discussed briefly an issue raised by SoftTec regarding computer software maintenance contracts and allocation between the software and service using the MPU.
- Ski passes – The issue of how to source ski passes for use at multiple locations was discussed previously and never resolved completely. There is a question on how to source when the place of first use will not always be known by the seller.

Audit and Certification Harry Fox, New Jersey, said the work group needs to address four issues for implementation:

- Overview of audit approach. The Re-Certification and Audit Process issue paper was discussed in the closed session. An open session will be held at the January meeting. The group expects the paper to be ready for a vote at the March meeting
- Staffing
- Audit selection alternatives
- Audit manual

Prepared Food John Nugent, Rhode Island, indicated that the group had reviewed many of the outstanding issues. The issue with utensils was not resolved, however, the group knows it must resolve the issue at the January meeting. A survey will be sent to states that exempt food but tax prepared food with respect to the utensil issue. The group expects to have one or two teleconference calls before the January meeting.

Diane Hardt gave the following reminders:

- The following states and business representatives should be ready to discuss their Certificates of Compliance at the January meeting: Kentucky, Wyoming, Michigan, Nevada, Arkansas if ready, and New Jersey whose legislation could pass before the end of the year.
- Business feedback on buy downs is due to Diane Hardt or Scott Peterson by December 15. A state survey will be sent out asking for information on whether tax is being collected on buy down amounts. The paper will be revised to add examples.
- A teleconference on bundling will take place before the January meeting to discuss the white paper, true object test for tangible personal property, and rules.
- The digital property paper will be revised and a teleconference held before the January meeting.
- The telecommunications paper will be updated to reflect discussion at Chicago meeting. A teleconference should be held before the next meeting.
- All feedback on the exemption processing paper is due to Diane Hardt or Scott Peterson by December 15. A final paper will be voted on in January.

Scott Peterson, South Dakota, indicated that Jonathan Lyons (FTA) and Terry Garber (South Carolina), representing the TIGERS group, would like an indication as to how far states are in their technology as it relates to the XML standards. The TIGERS group would like to do a training session and develop a user guide for the IT applications. They anticipate that the training could take place in January with a follow up session later in 2005.

Public Comment There was no public comment.

Announcements

1. Meetings

- The next meeting is scheduled for January 5 – 7 in Phoenix Arizona. The Project will meet on the 5th and 6th and the Conforming States will meet on the 6th and 7th.
 - A meeting is being planned for early March in Atlanta
 - There will be an Project/Implementing States meeting in May
 - A June meeting is being planned to finalize compliance checklists.
2. Scott Peterson needs volunteers from conforming states to work on reviewing and certifying the results of the RFP. He will need at least two teams of people who are knowledgeable about the agreement and technology models.

Meeting adjourned.

Prepared by: Vicki Gibbons, Wisconsin
November 19, 2004