

AD06010

A motion by Indiana, Kansas, Kentucky, North Dakota, Ohio, Oklahoma, Tennessee, Utah, West Virginia for a resolution relating to CAS compensation and the CAS contract:

RESOLUTION OF THE STREAMLINED SALES TAX GOVERNING BOARD, INC.

Monetary Allowance for Model 2 Sellers

The Streamlined Sales Tax Governing Board, Inc. ("Governing Board"), RESOLVES on this _____ day of _____, 2006, as follows:

1. Monetary Allowance. When remitting Taxes Due to a Member State or Associate Member State, a Model 2 Seller shall be allowed to retain an amount equal to one and one-half percent (1.5%) of Taxes Due to each Member State and Associate Member State in which the Model 2 Seller qualifies as a Volunteer Seller. The allowance shall be allowed only if a Model 2 Seller complies with Rules 602.1 and 602.2 and shall not be taken on a Model 2 Seller's purchases for its own use. "Taxes Due" shall mean sales and use taxes that are due to a Member State or Associate Member State from sales of a Volunteer Seller in the Member State or Associate Member State and which are determined or calculated using a Certified Automated System ("CAS"), net of any debits or credits to the Member State or Associate Member State required under applicable law.

A Seller may take the monetary allowance on transactions made in a twenty-four month period beginning with the first full month after the Seller has first installed a CAS in its operating system. For purposes of receiving the monetary allowance, registration as a Model 2 Seller is deemed to be complete when the Seller's twenty-four month period begins to run. If a Seller has registered as a Model 2 Seller and has installed a CAS before the Effective Date of Rule 602.1, the Seller shall receive the allowance for a period not to exceed twenty-four months after the Effective Date. If, after the Effective Date of Rule 602.1, the Governing Board adopts a new or revised allowance structure for Model 2 Sellers, a Seller that installed a CAS prior to the adoption of the new or revised structure shall receive a monetary allowance according to the new or revised structure from the date that structure takes effect for the balance of the twenty-four month period stated above..

Notwithstanding the foregoing, a Model 2 Seller shall not receive allowances under Rules 602.1 and 602.2 totaling more than \$10,000 from any Member State or Associate Member State in either the first or second twelve month period after the first CAS was installed in the Seller's operating system (an allowance limit of \$10,000 per state per twelve month period of CAS use). If the Seller registered

as a Model 2 Seller and installed a CAS before the effective date of Rule 602.1, then the time periods shall run from the effective date of Rule 602.1. For purposes of determining when the \$10,000 limit is reached, affiliated Volunteer Sellers shall be treated as a single Volunteer Seller if they would qualify as "related persons" under section 267(b) or 707(b) of the Internal Revenue Code.

2. Effect of Losing Volunteer Seller Status. If a Model 2 Seller loses its status as a Volunteer Seller in a Member State or Associate Member State, it shall immediately lose its right to retain a monetary allowance on Taxes Due to that Member State or Associate Member State. The Model 2 Seller shall be liable for the repayment of any allowances received that were based on sales made during any period in which the Model 2 Seller is not a Volunteer Seller in a Member State or Associate Member State, plus any additional charges or amounts that the laws of the Member State or Associate Member State may impose for the nonpayment of sales and use taxes.

3. Implementation. The Contract between the Governing Board and Taxware, LP, entered into as of the 1st day of June 2006, is hereby approved as amended to reflect changes consistent with this Resolution. The amendment is attached to this Resolution as Exhibit A.

WHEREFOR, the foregoing Resolution is adopted by the STREAMLINED SALES TAX GOVERNING BOARD, INC.

Senator Dwight Cook, President Date

Exhibit A
AMENDMENT TO CONTRACT BETWEEN STREAMLINED SALES TAX GOVERNING
BOARD, INC. AND TAXWARE, LP

This Amendment, by and between the STREAMLINED SALES TAX GOVERNING BOARD, INC. (hereinafter, the "Governing Board"), and TAXWARE, LP (hereinafter, the "Contractor"), effective as of the _____ day of _____, 20____, is an amendment to the contract between the parties entered into as of the 1st day of June, 2006, for the purpose of certifying the software of the Contractor as a Certified Automated System under the Streamlined Sales and Use Tax Agreement (hereinafter, the "Contract").

1. Section B.3 of the Contract is hereby deleted and replaced with the following:

B.3. Integration of CAS with Seller's System. The Contractor shall make available to all Sellers who use the CAS a mechanism for ensuring that the CAS is integrated into and interfaces with the Seller's software in a manner that allows the CAS to function properly for the Seller. The Contractor shall make available appropriate testing materials and processes that allow Sellers to determine that the CAS is operating properly before using the CAS to perform sales and use tax functions. The Contractor shall provide written notice to the Governing Board of the date on which the CAS is installed in each Seller's operating system.

2. Section D.1 is hereby amended by adding the following at the end of Section D.1:

MONETARY ALLOWANCE. WHEN REMITTING TAXES TO A MEMBER STATE OR ASSOCIATE MEMBER STATE, THE USER MAY RETAIN A MONETARY ALLOWANCE AS PERMITTED BY THE LAWS OF EACH MEMBER STATE OR ASSOCIATE MEMBER STATE. THE SSUTA AND GOVERNING BOARD RULES CONTAIN PROVISIONS FOR EACH STATE TO FOLLOW IN DETERMINING THE AMOUNT OF THE ALLOWANCE.

3. Each of the parties certifies that the person signing on its behalf is authorized by applicable law to execute the Amendment and bind the party to its terms.

IN WITNESS WHEREOF:

Taxware, LP:

By: Jon W. Abolins, SVP Operations Date

Streamlined Sales Tax Governing Board, Inc.:

By: Senator Dwight Cook, President Date