

Streamlined Sales Tax Governing Board, Inc.
Compliance Review and Interpretations Committee

INTERPRETATION/DEFINITION REQUEST

Complete each section

1. Name(s) of Requestor(s): Tim Maloney

2. Contact Person: Name **Tim Maloney**
 Address **Canton Chair Rental**
 4850 Southway St., SW
 Canton, OH 44706

Telephone (330) 477-7719

Email tmaloney@cantonchairrental.com

3. Agreement Section(s) involved: Section 310.1 (B) – Election For Origin-Based Sourcing, Section 310 (A) & (B) – Application of General Sourcing Rules and Exclusions From the Rules

4. Statement of Background Facts (be succinct): Canton Chair Rental is an Ohio-based company located in Stark County that rents tangible personal property such as tables, chairs and other party-related items to individuals, families and companies in Stark County and other adjacent counties, all in Ohio. The normal arrangement is that these items are rented to the consumer/customer for a fee on a short-term, non-recurring basis, and certainly not of a duration of more than thirty days. The orders are received by Canton Chair Rental at its Stark County offices and the items rented are delivered to the customer at the customer's home or business by Canton Chair Rental.

5. Issue: Whether a renter of tangible personal property in Ohio, which has local jurisdictions that levy or receive sales or use taxes pursuant to Section 310.1, can utilize origin-based sourcing?

6. Proposed Interpretation: Section 310 (B) 2 says that for a lease or rental that does not require recurring periodic payments, which the rentals in question qualify as, the payment is sourced the same as a retail sale in accordance with subsection (A). However, the amendment to Section 310.1 effective January 1, 2010, which Section 310.1 (A) deems the only exception to the general sourcing rules in Section 310, indicates that a member state may source retail sales, excluding lease or rental, of tangible personal property to the location where the order is received by the seller, thus qualifying to use origin-based sourcing. Our interpretation is that once the transaction our company is engaged in is categorized as a retail sale, for sourcing purposes, under Section 310 (A) & (B), it still should qualify for the origin-based sourcing exception of Section 310.1 (B).

7. Is expedited consideration requested? ___No __X__Yes **If yes, please explain why expedited review is requested.**

Ohio law on the origin-based sourcing option went into effect January 1, 2010, and an expedited ruling on Canton Chair Rental's eligibility to use that option is time-sensitive.

A request for interpretation/definition normally requires a minimum 60-day comment period. The comment period may be shortened to 10 days if the Committee grants a request for expedited consideration. See Governing Board Rule 902(D) and (H).

8. Date this Request is submitted: 2/17/10

The Compliance Review and Interpretations Committee meets by teleconference at 10:00 am central every other Thursday. Their schedule can be found at: www.streamlinedsalestax.org under the meeting calendar.

Submit to: Scott Peterson, Executive Director
Streamlined Sales Tax Governing Board 4205 Hillsboro Pike, Ste 305
Nashville, TN 37215
615-460-9332
scott.peterson@SSTGB.org