



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Cory Fong, Commissioner

November 5, 2010

Mr. Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board, Inc.
4205 Hillsboro Pike, Suite 305
Nashville, TN 37215-3339

Dear Mr. Peterson:

This letter is in response to the October 5, 2010 preliminary report regarding 2010 compliance with the Streamlined Sales Tax Agreement.

The report addresses the following two issues with North Dakota's compliance:

1. North Dakota currently imposes tax on two-way paging but not one-way paging service. Based on the August 17, 2010 ruling of the Governing Board, which states all paging service must be taxable or exempt, we acknowledge that our application of tax on paging service is not in compliance with the agreement. However, because the Governing Board decision was not in place on August 1, I do not believe this issue should be used to determine compliance for 2010. We will address this item by legislation or rule in the upcoming year.
2. The definition for "fixed wireless service" is incorrect. We agree with this statement. We inadvertently used the wrong definition and we will correct this error the next time we promulgate rules.

In addition to the above items, we acknowledged two other compliance issues in our recertification letter. North Dakota holds legislative sessions in odd numbered years and, therefore, we have not had a chance to adopt two amendments to the Streamlined Sales Tax Agreement that were approved by the Governing Board in September 2009. The two amendments are Section 313 direct mail sourcing and Section 318 uniform tax returns. North Dakota will be addressing these items during the 2011 legislative session.

If you have any questions regarding these areas of compliance, please contact me.

Sincerely,

A handwritten signature in black ink that reads "M. Vosberg".

Myles S. Vosberg
Director, Tax Administration Division
Phone: 701.328.3471
E-mail: msvosberg@nd.gov