

Compliance Review and Interpretations Committee

October 23, 2012

Committee participants

Chairman Myles Vosberg (VT)
Tim Jennrich (WA)
Richard Cram (KS)
Craig Johnson (WI)
Deb Peters (SD)
Tom Atchley (AR)
Tony Mastin (OK)

Other participants

Pam Cook
Scott Peterson
Fred Nicely, BAC

Chairman Myles Vosberg called the meeting to order at 10:02 AM CDT. He said today's meeting is to discuss Michigan, South Dakota, Washington and a continuation of North Carolina from the October 16 teleconference on the Direct Mail issue. Chairman Vosberg said the Prewritten Software Issue has been assigned to SLAC, so CRIC will not discuss it and no state will be found out-of-compliance on that issue. Unless there has been a change in the state, the Committee does not need to discuss carryover issues that are brought forward from 2011.

Michigan

Issues 1 and 2: Mike Eschelbach said in their first two report issues they have agreed to make the changes noted.

Issue 3. Direct Mail Sourcing – He provided a response a few weeks ago and then he was thinking they could issue guidance or notice. On further reflection he said he believes they will have to amend their statute to provide for the definitional sourcing differences depending on which type of direct mail they are looking at. Tony Mastin asked if Michigan taxes both types of direct mail and Mr. Eschelbach confirmed.

Issue 4. Private Communications Sourcing – Michigan only taxes Intrastate and not Interstate. Their sourcing provision appropriately addresses the Intrastate and local jurisdictions are not an issue. Pam said she doesn't believe they bill on a call by call basis. She thinks he is okay but they need to find another way of saying it. Michigan cites on a call by call basis. There needs to be a different citation there. Mr. Eschelbach said they have reference sub-1 and in sub-2, we should reference that section. He will update his document. Fred Nicely said it would be nice if they had a Legislative clarification as to, this is how the sourcing is going to be sourced. Mr. Eschelbach said he does not feel they need any more specific Legislation.

Issue 6. One Way Paging – Legislation was introduced 2-weeks ago to fix that issue. It probably will not be addressed until after the election since their Legislature is not meeting until early November.

Craig Johnson made a motion that Michigan be found out-of-compliance on the Direct Mail Sourcing until their statute is updated. Pam Cook called roll. All 7-committee members voted unanimously and the motion passed

South Dakota

Jane Page represented South Dakota. She said they have updated their Taxability Matrix. On the Certificate of Compliance, sec 318-paragraph D, they changed from yes to no. It was written in the negative previously and after it was written differently, the answer was changed to no. Tim Jennrich made a motion that South Dakota be found not out-of-compliance on all issues. Pam Cook called roll, 6 committee members voted yes and South Dakota abstained. The motion passed.

Washington

Tim Jennrich represented Washington.

Issue 1 – The taxability matrix has been updated

Issue 2 – Cert of Compliance changes were made and reflected in the spreadsheet

Issue 3 – Grooming & Hygiene – They have made a notation in the Certificate of Compliance.

Pam Cook confirmed that Washington is in good shape. The BAC had no additional comments. Richard Cram moved that the CRIC find Washington not out-of-compliance. Pam called roll, 6 committee members voted yes and Washington abstained. The motion passed.

North Carolina

Eric Wayne said they are not going to issue an amendment to their bulletin until Legislation has been enacted. Fred Nicely made a recommendation that CRIC find NC out-of-compliance with 313. Senator Peters made a motion that North Carolina be found out-of-compliance until they make the Legislative change. Pam Cook called roll, all committee members voted unanimously and the motion passed.

Chairman Vosberg said today completes the CRIC review of the first group of states. The October 25 scheduled for state issues carried forward will be unnecessary and will be cancelled. With no Interpretation requests or further business, the meeting adjourned at 10:33 AM CDT.