

SST Certification Committee Report to the Governing Board

On April 30, the Certification Committee forwarded its recommendation to the Executive Director that SpeedTax, Inc. be contracted as a Certified Service Provider (CSP) and a provider of a Model 2 Certified Automated System (CAS). State agencies are preparing for production status with SpeedTax with continued regression testing and by performing connectivity checks for transmission of the Simplified Electronic Return (SER).

The Committee held its second quarterly meeting for calendar year 2008 on May 13-14 in Little Rock. A CSP review was conducted on the first day with representatives from Avalara, Exactor, ADP Taxware and SpeedTax in attendance, some through SST's newly provided webinar service. The Committee was asked to discuss and make recommendations that concerned the possible elimination of the Information Report (IR) and provide for additional data elements in the SER. Vendor representatives and Committee members determined that the audit data requirements, as described in Appendix F of Article V, would provide sufficient information in lieu of the data included in the IR. With that, the Committee made the proposal to eliminate the IR for Models One, Two and Three and require instead that the vendors and sellers provide the data, as described in Appendix F, at the time of audit. The Committee also proposed that an element for a food/drug tax rate be included in the SER as well as the addition of six common exemption elements that would have otherwise been reported on the IR. Those same exemptions are common line items on many of the states' sales tax returns.

In light of a forthcoming proposal, the Committee also agreed to the concept of a single tax payment by a vendor/CSP that would be separate from the SER (ACH Credit) accompanied by a single file with multiple identifying payment records. It was decided to address this at the June TIGER's meeting to review and renew the already developed bulk payment schema.

Lastly, the Committee was asked to address the issue brought about by volunteer retailers that concerns filing requirements in states where the seller does not conduct business. The Committee proposed that a seller should initially be required to register through SST and select only those states where they are either currently, or have intent to conduct business. If a sale were to take place in a state other than initially selected, the seller would then be required to update their registration status for that state and report and remit, accordingly. The seller would be required to retain registration in that state for a specified period of time.

It is expected that all proposals submitted by the Committee will be discussed in the State and Local Advisory Council and at the June Governing Board meeting.

Submitted by: Gary Centlivre, Chair
Certification Committee
June 11, 2008