I would like to thank President Luke Kenley, former President Jerry Johnson, and the Executive Board for the opportunity to serve as the chair of the State and Local Advisory Council the past two years. It has been a privilege.

Providing invaluable advice and input were Sherry Harrell, vice-chair, SLAC Steering committee members, chairs and co-chairs of the work groups, and all other government and business representatives who put forth time and effort to get so many of these issues resolved.

In the past two years SLAC handled 32 issues. Some were approved after many meetings, much discussion and several re-writes. Others were discussions only and a few were withdrawn. It takes organization, attention to detail, and compromise by all involved to find solutions that will work for everyone and I appreciate everyone’s involvement. Thank you!

Accomplishments forwarded to the Governing Board for final consideration this past year:

- Candy Definition Rule RP11002
  - Rule 327.6 Food & Food Ingredient Definition
  - Rule 327.6.1 Candy Definition

- Sales Price and Employee Incentive Program AM10010 & RP100A01
  - Appendix C, Library of Definitions
  - Rule 327.7 Sales Price

- Sales Price and “taxes included” AM11001A01 & RP1007A01
  - Appendix C, Library of Definitions
  - Rule 327.7 Sales Price

- Sourcing Personal Services RP11004
  - Rule 311.4 Receipt of Personal Care Services

Other assignments:

- 2011 Taxability Matrix Enhancements and Updates
- 2011 Certificate of Compliance Updates

Discussion only:

- Liability relief of state rate changes
- Exemption Certificate Administration
- Voluntary Disclosure Agreements
In-Progress

1. **Sourcing Services – Allen Lynn, WA**
   
   Rules – Application of Sections 310.A and 311 to sourcing of services
   a. Sourcing services with respect to tangible personal property
   b. Sourcing of digital products
   c. Sourcing services related to real property
   d. Sourcing for other services not related to tangible personal property, real property or personal services

2. **Credit Issues – Craig Johnson WI**
   
   Credit for tax paid in other states. The work group is working on the credit issue for both state tax and local tax and for both goods and services.

3. **Taxes on Communication Services – Bruce Johnson UT**
   
   Determine which taxes are taxes on communication services in section 315.1

4. **Prepaid Calling Service**
   
   Construction of prepaid definitions

5. **Sourcing of Digital Products**

Jane A. Page
SLAC Chair