

Taxes on Other Communications Taxes State Survey

Part 1- List all taxes covered by the definition of “other taxes on communications services” in AM09002A01. Include the statutory cite and a brief description of the tax.

ALABAMA RESPONSE:

Utility Gross Receipts Tax

Under the provisions of Section 40-21-82, Code of Alabama 1975, the utility gross receipts tax is levied against every utility furnishing telephone or telegraph services in the State of Alabama. (This section also levies the utility gross receipts tax against every utility furnishing electricity, domestic water, or natural gas in the state.)

The utility gross receipts tax levied on the furnishing of telephone and telegraph services is computed at the rate of 6% applied against gross sales or gross receipts from the furnishing of such services in the State of Alabama. Every person engaged in the furnishing of telephone and telegraph services in the State is required to add the amount of the tax to the price or charge for the taxable services and collect the tax from each purchaser of such services.

The utility furnishing such telegraph or telephone services is entitled to deduct and retain from the gross amount of tax billed by the utility 1/4 of 1% of the amount of such tax billed in consideration of the costs incurred by the utility in collecting and remitting the tax levied by subsection 40-21-82(b).

The term "telephone services" is defined in Section 40-21-80(11), and specifically includes the following: (1) Local telephone service; (2) Intrastate toll telephone service; (3) Private communications service; (4) Teletypewriter, and computer exchange service; (5) Telephone services sold by motels and hotels to their customers or to others, telephone services sold by colleges and universities to their students or to others, and telephone services sold by hospitals to their patients or to others; and (6) Interstate telephone service which originates or terminates within this state but does not both originate and terminate in this state and is charged to a service address in this state. Section 40-21-80(11) excludes from the definition of the term “telephone services” various services including, in subsection (v), cable television service, paging services, specialized mobile radio, or mobile telecommunications service.

Under the provisions of Section 40-21-82(e), gross sales or gross receipts from the furnishing of telegraph or telephone services shall be sourced as follows:

- (1) Except for the defined telegraph or telephone services in subdivisions (3) and (4), the sale of telephone service sold on a call-by-call basis shall be sourced to a. each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or b. each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.

(2) Except for the defined telegraph or telephone services in subdivisions (3) and (4), the sale of telephone service sold on a basis other than a call-by-call basis is sourced to the customer's place of primary use.

(3) The sale of post-paid calling service is sourced to the origination point of the telecommunications signal as first identified by either a. the seller's telecommunication system, or b. information received by the seller from its service provider, where the system used to transport such signal is not that of the seller.

(4) A sale of private communication service is sourced as follows:

a. Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located.

b. Service where all customer channel termination points are located entirely within one jurisdiction is sourced to the jurisdiction in which the customer channel termination points are located.

c. Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segments of channel are separately charged is sourced 50 percent in each level of jurisdiction in which the customer channel termination points are located.

d. Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.

Code of Alabama 1975, Sections 40-21-80 through 40-21-87
Sales and Use Tax Rule 810-6-5-.26

Cellular Telecommunication Services Tax and
Mobile Telecommunications Service Tax

Under the provisions of Section 40-21-121, Code of Alabama 1975, the mobile communication service tax is levied against every home service provider doing business in the State of Alabama on account of the furnishing of mobile telecommunications service to customers with a place of primary use in the State of Alabama. Under the provisions of Section 40-21-126, the mobile communication service tax is also levied on mobile radio communication services.

The terms mobile telecommunications service and mobile radio communication services are defined in Sections 40-21-120(1)(a) and 40-21-125, respectively, as defined in

47CFR20.3 as in effect on June 1, 1999. These terms may collectively be referred to as mobile communication services.

The mobile communication service tax is computed at the rate of 6% applied against gross sales or gross receipts from the monthly charges for furnishing mobile communication services to customers with a place of primary use in the State of Alabama. Every home service provider of mobile telecommunications services and mobile radio communications services subject to the tax is required to add the amount of the tax to the price or charge for the taxable services and collect the tax from each customer.

The home service provider furnishing such mobile telecommunications services is entitled to deduct and retain from the gross amount of tax billed by the home service provider 1/4 of 1% of the amount of such tax billed in consideration of the costs incurred by the home service provider in collecting and remitting the mobile communication service tax.

Mobile communication services include, but are not limited to, the following services which the monthly charges for such services shall be included in the measure of the tax provided these services are mobile services that (i) are provided for profit, (ii) are an interconnected service, and (iii) are available to the public:

- (a) cellular telecommunications service,
- (b) personal communications service,
- (c) specialized mobile radio service,
- (d) mobile service that is the functional equivalent of a commercial mobile radio service,
- (e) one-way and two-way radio communications service,
- (f) paging/beeper services.

As a result of the Mobile Telecommunications Sourcing Act of 2000 and Alabama Legislative Act # 2001-1090, monthly charges for mobile communication services provided to a customer and billed by or for the customer's home service provider are deemed to be provided at the customer's place of primary use. Such monthly charges are subject to the mobile communication services tax if the customer's place of primary use is located in Alabama.

Code of Alabama 1975, Sections 40-21-120 through 40-21-126
Sales and Use Tax Rule 810-6-5-.26.01

IDAHO RESPONSE:

There are no taxes on sales of telecommunications in Idaho.

INDIANA RESPONSE:

Monthly Enhanced Emergency Telephone System Fee: IC § 36-8-16-5

Collected by either a county, or a municipality within a county.

Wireless Emergency Enhanced 911 Fee: IC § 36-8-16.5-25.5

Collected by a wireless enhanced 911 advisory board, which is separate from the state.

Collectively, Indiana will refer to these as “Emergency Enhanced Fees.”

KANSAS RESPONSE:

- Kansas Universal Service Fund fee is administered by the Kansas Corporation Commission (outsourced to GVNW Consulting). The fee is a percentage, currently 4.65% of the intrastate charges per subscriber. The fee changes annually on March 1st of each year and are remitted either monthly, quarterly, semiannually or annually. Authorized by K.S.A 66-2008
- 911 Fee for Land-line phones is a local fee that is levied by cities and counties. The fee is remitted by the telecommunication provider to the city or county that is the designated PSAP (public service area provider). The fee can not exceed \$0.75 per line and must be remitted quarterly - due no later than 60 days after the end of a calendar quarter. All locals have a \$0.75 fee except for Johnson County which has a \$0.45 fee. Authorized by K.S.A 12-5301
- Enhanced Wireless 911 (E911) fee is a fee on wireless and VOIP providers. The fee consists of 2 parts, \$0.25 fee remitted to the Department of Administration (Governor's Grants Programs actually administers the fee) and \$0.25 to the Local Collection Point Administrator (LCPA). LCPA is a joint organization of the Kansas Association of Counties and League of Kansas Municipalities). The fee is to be remitted monthly, by the 15 day of the following month. Authorized by K.S.A 12-5321. In 2010, the LCPA will collect the entire \$0.50 fee (legislation is working through the Legislature to have this fee remitted by retailers to the department of Revenue who would transfer the money to the LCPA)
- Franchise Fees- rates would vary based on the municipality. Fees can be a flat rate or a percentage. Reporting would usually be quarterly, but can be more often if specified by ordinance. Authorized by K.S.A. 12-2001
- Right-of-Way fees are being mentioned only as an aside as it is understood these fees are not considered to be within the scope of this survey. If they are included, this will be a problem. Right-of-Way fees vary based on the municipality and are not uniform across cities. Fees may include permit, excavation, repair and restoration, and inspection fees on a telecommunications provider. They can also require a bond be posted. Fees are often charged on a per job basis. Authorized by K.S.A 17-1902.

KENTUCKY RESPONSE:

911 fees KRS 65.760 telephone emergency fee
PUC Fee RCC KRS 278.150 PSC intrastate utility business activity levy. Based upon the most recent changes to the other communications taxes amendment, we think this fee is likely not included in the definition.
UGRL KRS 160.613 utility gross receipts license tax
Tele Relay KRS 278.5499 telecommunications access program
Telecommunications taxes KRS 136.604 imposes an excise tax on multi-channel video and KRS 136.616 imposes gross revenues taxes on communications services and multi-channel video programming.

MICHIGAN RESPONSE:

1. State 911 charge (MCL 484.1401a)
2. County 911 charge (MCL 484.1401b)
3. State prepaid customer 911 charge (MCL 484.1401c)
4. State wireless 911 charge (MCL 484.1408)
5. Detroit Utility Users Tax (MCL 141.1152;
Detroit Municipal Code, Art. X, Sec. 18-11-3)
6. Cable Franchise Fees (MCL 484.3306)

NEBRASKA RESPONSE:

1. Local occupation taxes – imposed by approx. 50 cities; imposed on telephone and cable service; tax bases differs among cities
2. Local 911 fees on wireline service
3. Dual party relay service fees
4. Franchise fee – imposed on cable
5. Educational and Government access fee - imposed on cable

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

- 1) North Dakota telecommunications gross receipts tax. Tax is imposed at 2½ percent on gross receipts of telecommunication companies. Tax is at state level (no local imposition) and is administered by the Tax Commissioner's Office. The tax is a privilege tax and is in lieu of all real and personal property taxes on telecommunications carriers. Annual returns are filed by the telecommunications carriers. [North Dakota Century Code: Chapter 57-34].
- 2) Emergency Services Communications Systems Fee. Fee of up to \$1.50 per phone line is imposed by local jurisdictions. Revenue is used to provide and operate 911 emergency services. Fees are collected by the telecommunication companies and remitted to the counties primarily on a monthly basis. Fees vary by the taxing jurisdiction. [North Dakota Code: Chapter 57-40.6]
- 3) Telephone access line and radio communications access surcharge. Fee of up to 11 cents per phone line is imposed at state level (no local imposition) and is administered by the North Dakota Information Technology Department, which is a state agency. Revenue is used to provide equipment and a telecommunications relay service for individuals that are communications impaired. Fees are collected by the telecommunication companies monthly and remitted to the Information Technology Department with quarterly returns. [North Dakota Century Code: Chapter 54-44.8].
- 4) Fargo city gross receipts tax. The city of Fargo, North Dakota imposes a 2 percent gross receipts tax on local telephone service. The tax is administered by the City of Fargo. Tax is collected monthly by the telecommunication companies and remitted to the city monthly. [Fargo Article 3-10].

RHODE ISLAND RESPONSE:

- 911 Emergency surcharge, § 39-21.1-14
- E-911 Geographic Information System and Technology Fund surcharge § 39-1-62
- RI Telecommunications Education Access Funds, § 39-1-61
- Public Service Corporation Tax surcharge, § 44-13

SOUTH DAKOTA RESPONSE:

Fee	Taxing Authority	Statute
Prepaid Wireless 911	State	34-45-4
Wire Line 911	County	34-45-4
Wireless 911	County	34-45-4
Franchise Fees (Cable)	City	?
Telephone Relay Fee	State	49-31-51
PUC Fee	State	49-1A-3

UTAH RESPONSE:

None

VERMONT RESPONSE:

None, per my conversation with Deborah Bierbaum that the Vermont Universal Service Fund fee is not included in the definition of “other taxes on communications services”

VIRGINIA RESPONSE:

- **Communications Sales and Use Tax – Va. Code § 58.1-648**
A state sales and use tax imposed on customers of communications services that is collected by communications services providers at the rate of 5% of the sales price of each communications service that is sourced to the Commonwealth. The tax is administered by the Virginia Department of Taxation.
- **Tax for Enhanced 911 Service (landline) – Va. Code § 58.1-1730**
A state tax imposed on customers of landline telephone service collected by communications service providers at the rate of \$0.75 per access line per month. The tax is administered by the Virginia Department of Taxation.
- **Wireless E-911 Surcharge – Va. Code § 56-484.12 and 56-484.17**
A state tax imposed on customers of wireless telephone service collected by communications service providers at the rate of \$0.75 per service number per month. However, for prepaid services, providers and resellers may elect to 1) collect the surcharge on a monthly basis, 2) collect the surcharge at the point of sale, or 3) pay an amount equal to its total earned prepaid wireless telephone revenue from Commonwealth customers each month divided by \$50 and then multiplied by \$0.75 without collecting a separate charge from its prepaid customers. The tax is administered by the Virginia Wireless E-911 Services Board. Legislation pending in the 2010 Session of the General Assembly would modify the collection of the prepaid wireless surcharge to require retail merchants to collect a \$0.50 charge on each purchase of prepaid wireless service from the merchant. The tax on prepaid E-911 would be administered by the Virginia Department of Taxation.
- **Public Rights-of-Way Use Fee – Va. Code § 56-468.1**

A monthly fee calculated annually by the Virginia Department of Transportation based upon the number of public highway miles divided by the total number of access lines in the Commonwealth. The fee is currently set at \$0.89 per access line. The fee is imposed on providers of telecommunications service and cable operators. Localities that do not have their public streets and roads maintained by the Virginia Department of Transportation may impose the Public Rights-of-Way Use Fee by local ordinance. Cable operators remit the Public Rights-of-Way Use Fee to the Virginia Department of Taxation on a monthly basis. Providers of telecommunications service remit the Public Rights-of-Way Use Fee to either the Virginia Department of Transportation or the applicable locality.

WASHINGTON RESPONSE:

1. WUTC fee. RCW 80.24.010. Annual fee paid by public service companies to the Washington Utilities and Transportation Commission.
2. Business license fees. Titles 35 and 35A RCW. License fees paid by businesses to cities. If this fee is imposed as a percentage of gross revenue charged to customers or as a fixed fee per customer, it would be considered a tax on communications services. If it is imposed based upon number of employees, square footage, or some other basis, it would not be a tax on communications services.
3. Municipal B&O tax. Chapter 35.102 RCW. Gross receipts taxes imposed on businesses by cities.
4. Municipal utility tax. RCW 35.21.870. Gross receipts taxes imposed on utility businesses, including telephone businesses, by cities.
5. State enhanced 911 excise tax. Chapter 82.14B RCW. A monthly per line tax imposed by the state on subscribers, collected by telecommunications service providers, and used to fund enhanced 911 service.
6. County enhanced 911 tax. Chapter 82.14B RCW. A monthly per line tax imposed by counties on subscribers, collected by telecommunications service providers, and used to fund enhanced 911 service.
7. Telecommunications relay service excise tax. RCW 43.20A.725. A monthly per switched access line tax imposed by the state on subscribers, collected by local exchange companies, and used to fund programs to facilitate telecommunications services for speech and hearing impaired persons.
8. Telephone assistance excise tax. RCW 80.36.430. A monthly per switched access line tax imposed by the state on subscribers, collected by local exchange companies, and used to fund programs to provide access to telecommunications services to low-income persons.
9. Franchise fees. Contracts between local governments and cable franchisees. Fees, based on a percentage of revenue, imposed by local governments on cable franchisees as compensation for use of public rights of way or other public property.
10. PEG fees. Local ordinances. Fees collected by cable companies from subscribers to fund public access and governmental channels.

WEST VIRGINIA RESPONSE:

W. Va. Code § 8-13-5. Business and occupation or privilege tax; limitation on rates; effective date of tax; exemptions; activity in two or more municipalities; administrative provisions.

(a) *Authorization to impose tax.* -- (1) Whenever any business activity or occupation, for which the state imposed its annual business and occupation or privilege tax under article thirteen, chapter eleven of this code, *prior to July one, one thousand nine hundred eighty-seven*, is engaged in or carried on within the corporate limits of any municipality, the governing body thereof shall have plenary power and authority, unless prohibited by general law, to impose a similar business and occupation tax thereon for the use of the municipality.

(Emphasis supplied.)

Mobile wireless service, which is a "telecommunications service" would have been subject to the West Virginia business and occupation or privilege tax prior to July 1, 1987 under the classification of a "service business," thus subjecting it to any municipal business and occupation taxes imposed on communications services. Traditional telephone and telegraph services would not be subject to a municipal business and occupation tax because they are exempted from the imposition of the State business and occupation tax, pursuant to W. V. Code § 11-13-2d, which reads in relevant part as follows:

W. Va. Code § 11-13-2d. Public service or utility business.

(a) Upon any person engaging or continuing within this state in any public service or utility business, *except . . . telephone and telegraph companies*, water carriers by steamboat or steamship and motor carriers, the tax imposed by section two of this article

(Emphasis supplied.)

Part 2- Please review the following requirements of the Agreement, as modified by the language of AM09002A01, as they would be applied to the taxes identified above. For each requirement, provide any specific administrative, statutory or constitutional provisions that would impede your state's ability to conform with the new requirements. The list below notes which of these requirements are modified by the proposed amendment to apply differently to other taxes on communications services.

IDAHO RESPONSE:

N/A

KANSAS RESPONSE:

See notes under each requirement. As Kansas is in compliance with the Streamlined Sales Tax Agreement, the Department of Revenue does meet these requirements. However, for these telecommunication taxes it is not expected that the Department will be administering these taxes and fees. See notes under Part 3.

MICHIGAN RESPONSE:

NEBRASKA RESPONSE:

Cable companies are under contract with the cities and pay a franchise fee as part of the contract. The Nebraska constitution has a provision that the state cannot impair a contractual obligation. We are not certain if a central administration would impair the contract with the cable companies.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

See comments below each section listed below.

VERMONT RESPONSE:

Vermont believes the amendment would have no impact.

WASHINGTON RESPONSE:

Washington responses to Part 2 are inserted after each of the simplification requirements listed below.

Part 3- Please provide information on how long it would take your state to achieve full compliance with these requirements. Identify any specific cost concerns related to achieving full compliance.

ALABAMA RESPONSE:

We, being totally dependent upon the legislature, have no way of estimating this information.

IDAHO RESPONSE:

N/A

INDIANA RESPONSE:

See Indiana's Responses to Questions 1-47.

KANSAS RESPONSE:

Legislation is currently being considered to provide for the statewide administration of the 911 land line fee and the E-911 fee. Upon passage of this bill, these fees would be centrally administered through the Local Collection Point Administrator (LCPA).

Additional legislation would need to be passed to be compliant with the requirements. It is estimated the earliest the state could be ready to administer the taxes and fees would be January 2013. That assumes the enabling legislation is introduced in 2011 and passed during that session and allowing for 18 months to develop the necessary processes and computer systems changes and to connect the various systems of the Department of Revenue to the telecommunication tax administrators. There would be administrative set-up costs to be compliant, estimated between \$150,000-\$200,000 depending on how the processes needed to administer the taxes and fees.

Franchise fees in Kansas are compensation for the use of public rights of way – they are not a type of sales tax. These fees are actually required under the Kansas Constitution (Art 12, § 4) and under state statutes. As a Home Rule state, there are questions whether the legislature can require a statewide fee and central administration of the franchise fee without a constitutional change.

As a streamlined sales tax (SST) state, many of the requirements listed below are already in place for the administration of the sales and use tax. However, the telecommunications fees discussed in this survey may not be administered by the Department of Revenue. Changes may have to be made by the collection authorities and the Department of Revenue to provide for the sharing of data and systems to meet the individual requirements such as centralized address database, central registration, and jurisdiction boundary changes. In the responses below, if the response states the state is compliant with the requirement, it means that the Department of Revenue has met the requirement as part of SST. However, the telecommunication tax administrators may have to modify their processes, statutes, regulations, and computer systems to tie into the department's systems and meet the requirements.

KENTUCKY RESPONSE:

Kentucky has reservations about any net benefits (increased tax receipts) beyond the sales and use tax collections from remote vendors. Centralizing the registration, filing, and administration of all other communications taxes will be a daunting task requiring buy in from local jurisdictions. The Governing Board should develop talking points and a clear analysis of what local jurisdictions stand to gain in the other communications taxes category with these measures. With extensive development and design work for registration, filing, remittance, etc. along with the political issues for local jurisdictions, Kentucky will need a minimum 4 to 5 year timeframe for completion.

In addition, a detailed analysis of the other communications tax requirements will be required to verify that compliance with these Governing Board standards still produce a significant net benefit to the Commonwealth.

MICHIGAN RESPONSE:

It is unknown if full compliance would ever be achieved, thereby bringing into question Michigan's continued participation in the Streamlined Sales and Use Tax Agreement should "other communication taxes" be made subject to the Agreement.

In the event that the various affected units of local government acquiesce and the legislature agrees to implement the necessary changes, it is estimated that it would take a minimum of 2 years to secure passage of necessary legislation and implement the required administrative changes.

Cost concerns include:

- application of vendor compensation to “other communication taxes”;
- increased administrative costs of unknown amount;
- increased audit costs.

NEBRASKA RESPONSE:

Unknown at this time. There will be a significant cost to implement and a cost to administer this change. There will also be monetary winners and losers at the local level. Must have legislative approval as well as changes to local laws. We are beginning the process with the locals and the phone companies later this spring and the process will no doubt extend into the summer and fall.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Time line to implement changes depends on when federal legislation or SST agreement amendment is finalized. North Dakota holds legislative sessions in odd numbered years (January through April). Requirements would need to be finalized by early fall 2010 in order for legislation to be considered in 2011 session; otherwise, the next chance to propose legislation would be the 2013 session with July 1, 2013 as the most probable effective date.

If I understand the implementation requirements, additional funding and IT resources will be required for a central registration system, simplified electronic returns, and ACH payments.

Transferring administration for Emergency Services Communications Systems Fee to one centralized agency probably may not be popular with the locals and may be difficult to change legislatively.

VERMONT RESPONSE:

N.A.

VIRGINIA RESPONSE:

The majority of the changes necessary to conform Virginia’s telecommunications taxes to the Streamlined Sales and Use Tax Agreement (SSUTA) would have minimal impact on Virginia. Many of the necessary changes, however, would require legislation. Conformity would also require a central administration of the Public Rights-of-Way Fee and centralized registration. It would also require Virginia to provide and maintain a database of boundary changes and a taxability matrix. Virginia would also need to administer an additional dealer discount, create new returns, and revise current forms to

reflect the SSUTA provisions. TAX estimates that it would take six months to one year to make the systems changes necessary to implement the law change.

TAX would also need to hire two analysts to conduct program software testing for new databases and three additional customer service representatives to respond to additional contacts. In addition, TAX anticipates an increase in consumer use tax audits, as TAX would no longer be able to hold vendors who accept invalid exemption certificates liable for the tax, which would require three additional desk auditors and one senior auditor.

If legislation conforming Virginia's Retail Sales and Use Tax to the SSUTA was enacted in the current General Assembly session, TAX has estimated that it would incur administrative costs of \$320,000 in Fiscal Year 2011, \$310,000 in Fiscal Year 2012, \$432,000 in Fiscal Year 2013, \$523,000 in Fiscal Year 2014, \$535,000 in Fiscal Year 2015, and \$547,000 in Fiscal Year 2016. TAX would incur some additional costs to assume administration of the Wireless E-911 Surcharge and the Public Rights-of-Way Use Fee on cable providers and telecom providers.

WASHINGTON RESPONSE:

Getting the changes into state statute, local ordinances, and cable franchise contracts would take a substantial amount of time. Some of the changes are relatively minor and could probably be done within a year of enactment of federal legislation. However, some of the others would have many obstacles to overcome before they could be adopted. In particular, the unification of business license fees and cable franchise fees, and implementation of a centralized registration system, would be very challenging.

Our local jurisdictions voiced great concern with treating business license fees as "other taxes on communications services." *See Question 3 directly below.* While the local jurisdictions are not supportive of the communication services tax simplifications generally, they are more likely to accept the proposed simplifications if business license fees are excluded. Moreover, as a state, we are uncertain whether it makes sound policy sense to include business license fees under the definition of "other taxes on communications services."

Once the laws, ordinances, and contract changes are adopted, it would take an additional 18 months to implement state collection of the taxes. This would include 4 return addendums, 5,000 hours of IS programmer time and 2,500 hours of business staff time. The time includes requirements gathering, analysis, programming time and testing, as well as forms design and development, taxpayer education and staff training.

We believe a minimum of five years from the date of enactment of federal legislation should be allowed before states are required to come into compliance with the simplification requirements for communications taxes. However, if business license fees are excluded, the period for coming into compliance could be shortened.

Below is a list of the simplification requirements the Agreement currently imposes on sales taxes and which would be imposed on other taxes on communications services by AM09002A01. The list notes which of these requirements are modified by the proposed amendment to apply differently to other taxes on communications services.

1. Section 301 – State level administration required.

Modified by Amendment to allow a designated agent to provide for administration of each other tax on communications services.

INDIANA RESPONSE:

This modification would require legislative changes involving the methods counties and municipalities use to collect the Emergency Enhanced Fees.

KANSAS RESPONSE:

Central administration of the franchise fees would require legislative action and may face an uphill battle. In addition to providing for central administration, the legislative proposal would have to include requirements that the tax administrator connect their systems in with the Department of Revenue to meet the requirements listed below.

Kansas is a Home Rule state and the Kansas Constitution provides for the ability of the cities to levy a franchise fee. There is some question whether a statewide franchise fee enacted by the Legislature would be legal, unless there is also a change in the Kansas Constitution.

The earliest a legislative proposal could be considered is with the 2011 Legislative session that starts in January 2011. Once legislation is passed, an additional 18 months would be needed to get all processes in place and meet the compliance requirements.

KENTUCKY RESPONSE:

Kentucky has already had some legislative activity suggesting a movement toward a state administered centralized system for a number of these provisions. Although there would be some cost and effort involved, compliance in this area should be attainable with the proper amount of cooperation. In addition to the local jurisdictions, whose reaction at this point is undetermined, one other area of question relates to the Tele Relay fees which are currently administered by the Public Service Commission. We assume central administration of these separate taxes by different state agencies is acceptable.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Unknown cost and unknown cooperation levels by locals.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Two of the four taxes currently have one central administration. The Emergency Services Communications Systems Fee will require substantial legislative changes for central administration. The Fargo city gross receipts tax currently is the only local tax. However, if other local governments impose such a tax, central administration would become an issue.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

The 911 wireless and wired and the cable fees, would require state statute to administer the fees.

There would be a cost to set up the programming to licensee and collect the fees, and to distribute the fees.

VIRGINIA RESPONSE:

All of the communications services taxes, with the exception of the Public Rights-of-Way Use Fee on telecommunications companies and the Wireless E-911 Fee, are currently administered by the Department of Taxation. A law change would be necessary for the Department of Taxation to assume responsibility for the administration of the Public Rights-of-Way Use Fee and the Wireless E-911 Fee.

WASHINGTON RESPONSE:

State or centralized administration of the taxes currently administered by local governments would require state statutory changes and amendments to local ordinances. It could entail changes to contracts between cable franchisees and local governments. There would be a cost impact to the state government. This requirement would impact taxes # 2, 3, 4, 6, 9 & 10 listed in Washington's response to Part 1, above.

Local governments have traditionally opposed the loss of control over their own revenue sources. That opposition can be expected to continue in the form of opposition to the inclusion of communications tax simplification requirements in federal legislation that would give states the right to compel remote sellers to collect sales tax.

If communications tax simplification is included in enacted federal legislation, moving to state, or other centralized, administration would be a difficult and lengthy process. This is so particularly in the case of business license fees and cable franchise fees. The thorniest issues for those concern making the base uniform. That will be addressed further in the response to item 3, below.

In conversations with the cities of Washington, there seemed to be a willingness to consider someone other than the state as the central administrator. A consortium of cities

is one possibility. We believe the cities view this as less of a loss of control than having the state administer their taxes.

Another set of issues that could impact the process of converting to state or other centralized administration is whether the affected taxes would have to be centralized in their entirety or just those taxes as applied to communications services. Would all business license fees have to be centralized or only those paid by providers of communications services? Would all municipal business and occupation and utility taxes have to be centralized, or just those actually paid by communications companies? It might or might not make sense to split up the administration of these taxes, but it should be clarified whether it is an option.

WEST VIRGINIA RESPONSE:

No effect.

- 2. Section 301 - Each state to conduct or authorize others to conduct on its behalf all audits. Local jurisdictions prohibited from conducting audits of sellers registered under the Agreement.**

INDIANA RESPONSE:

This modification would require legislative changes involving the methods counties and municipalities use to collect the Emergency Enhanced Fees.

KANSAS RESPONSE:

This requirement would be incorporated into the central administration legislative proposal.

KENTUCKY RESPONSE:

The DOR already has the prime responsibility for this function in several areas. It is likely this responsibility could be assumed for the remaining areas. There would be some expense to incorporate those taxes not currently included into the audit program. From experience, those localities that do a good job with compliance will resist losing this authority.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Additional audit resources required.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

This section would require legislation to authorize/require a state agency authority to audit the Fargo gross receipts tax (and any future taxes imposed, if any)

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

Requires a state statute. Right now I don't believe any cities or counties in SD have ever audited for their fees. State agency would need additional resources to audit, plus training.

VIRGINIA RESPONSE:

Localities imposing the Public Rights-of-Way Use Fee pursuant to a local ordinance are authorized to audit registered sellers. All of the other communications services taxes are currently administered and would be audited at the state level. A law change would be necessary to authorize the Department of Taxation to audit the Public Rights-of-Way Use Fee.

WASHINGTON RESPONSE:

State auditing of the taxes currently administered by local governments would require state statutory changes and perhaps amendments to local ordinances. It could entail changes to contracts between cable franchisees and local governments. This requirement would impact taxes # 2, 3, 4, 6, 9 & 10 listed in Washington's response to Part 1, above.

While some cities would be opposed to losing their ability to conduct audits on these taxes, others, including those without audit staffs, see this as a benefit. Additionally, some cities expressed concern that losing the ability to conduct audits would result in the inability to participate in negotiated settlements.

WEST VIRGINIA RESPONSE:

No effect.

3. Section 302 - All local jurisdictions to have common tax base.

Modified by amendment to clarify that the tax base for each type of other tax on communications services does not have to be identical to the tax base for sales and use taxes imposed on communications services.

INDIANA RESPONSE:

Indiana not affected by this modification because Indiana statutes already allow for varied Emergency Enhanced Fees.

KANSAS RESPONSE:

This may be an issue for franchise fees, additional research would be required to determine if the basis for the franchise fee is the same for all cities and fees. There is also a constitutional question whether the legislature can mandate a common tax and fee.

KENTUCKY RESPONSE:

Based upon the COST survey, Kentucky does have areas which currently do not require a common tax base. In the current legislative session there is a proposal to centralize the current 911 tax which would likely standardize rates and bases, but passage is unlikely.

Adoption of the telecommunications definitions for the utility gross receipts license tax (UGRLT) will cause a decline of revenue for school districts if ring tones are no longer in the tax base. Also, statutes will have to be amended to incorporate ancillary services into the tax base.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Requires change in various city statutes to achieve uniformity.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

The Fargo city gross receipts tax base is not the same as the North Dakota Telecommunications Gross Receipts tax. At this point, I am not certain if they need to be identical. In addition, if more local gross receipts taxes were imposed, tax base could become an issue if legislation is not passed to require all locals to have the same tax base.

RHODE ISLAND RESPONSE:

Immediate compliance. RI does not have local taxes.

SOUTH DAKOTA RESPONSE:

There are different bases for the prepaid wireless fee. This will take legislation to change.

The cable franchise agreements are by contract between the city and the cable company for a certain number of years, so it could be very difficult to convert them to the same base. South Dakota would prefer the cable fees not be included in this federal legislation.

VIRGINIA RESPONSE:

All of the taxes on communications services imposed in the Commonwealth have the same tax base in each local jurisdictions.

WASHINGTON RESPONSE:

Unifying the bases of each of the taxes administered locally would require state statutory changes and amendments to local ordinances. It could entail changes to contracts

between cable franchisees and local governments. This requirement would impact taxes # 2, 3, 4, 6, 9 & 10 listed in Washington's response to Part 1, above.

While the municipal business and occupation and utility taxes are relatively uniform, the business license fees and cable franchise fees are not.

Business license fees are required by 193 of Washington's 281 cities. This can be a flat fee, a graduated fee, a fee based on the number of employees, a fee based on the type of business, a fee based on square footage, or some combination. Fees can be one-time, annual, or quarterly. Fifty-seven percent of the fees are described as flat fees. Of these, we do not know which of the individual fees are determined by revenue. Whatever the number is, it may be difficult to get the cities to agree to a common base. It would be even more difficult to get the cities to give up other methods of determining their fees if that is what the federal legislation would require.

Franchise fees are established through the contracting process between cities and cable companies. We understand that the bases may be different from city to city. Some contracts require that the fee be measured by all revenue; others may require that the fee be measured by a lesser amount. The cities have told us that many of the contracts are for long terms and have been difficult to open before the terms expire. Requiring a change in the contract to come into compliance with the simplification requirements of federal legislation raises constitutional questions about impairing the obligation of contracts.

In view of the nature of these issues, it is imperative that states be given a realistic time to come into compliance.

WEST VIRGINIA RESPONSE:

No effect.

4. Section 303 – Requires each state to participate in an online tax registration system in cooperation with other member states.

Modified by the amendment to permit a centralized, one-stop registration system at the state level for taxes administered solely within the state. Sellers must also be allowed to register directly with localities.

INDIANA RESPONSE:

The modification regarding "a centralized, one-stop registration system" would require legislative changes involving the methods counties, municipalities, and the State use to collect the Emergency Enhanced Fees.

KANSAS RESPONSE:

Most of the registration system is in place, would require changes to add the additional taxes and to provide for a local registration option.

KENTUCKY RESPONSE:

Kentucky has some centralized registration for the telecommunications taxes and UGRLT, but incorporating the other taxes will be a major undertaking. We assume the amendment requires both interface with a national central online registration system and another one-stop point at the state level. Continuing to allow providers to register with local jurisdictions injects additional complexity. This component will be a major undertaking.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action to require registration by those liable for “other communication taxes.” Michigan’s current registration system will not accommodate registration by “other communication tax” taxpayers.

NEBRASKA RESPONSE:

Additional personnel and system resources to participate in central registration.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will need legislative authority to accomplish registration at state and local levels.

RHODE ISLAND RESPONSE:

Immediate compliance. RI does not have local taxes.

SOUTH DAKOTA RESPONSE:

There is a cost to add an online registration system and a database to store the registrations. It will also take legislation.

VIRGINIA RESPONSE:

Virginia does not currently participate in a registration system with other states. A law change would be necessary to authorize TAX to participate in an online tax registration system in cooperation with other states. Providers, however, may register for the Communications Sales and Use Tax , the Tax for Enhanced 911 Service, and the Public Rights-of-Way Use Fee collected by cable operators online at the Virginia Department of Taxation's website. This site does not allow registration for the Wireless E-911 Surcharge or the Public Rights-of-Way Use Fee paid by providers of telecommunications service. Virginia would need to create a system or modify the Department of Taxation's existing registration system to allow for registration for other communications taxes.

WASHINGTON RESPONSE:

Having a state-level centralized registration system for each state and local tax on communications services would require state statutory changes. Coordination between local registration systems and state registration systems would be required for those who register directly with localities.

For a number of years, Washington has been moving in this direction. We have a one-stop business registration program that includes cities. However, only 25 cities are participating. Some local registration systems have different time tables for registering, which makes movement to a unified system more challenging. The state has not been able to meet the needs of the cities because of a lack of resources. Substantial financial resources would be needed to do the job properly.

WEST VIRGINIA RESPONSE:

No effect.

- 5. Section 303-No registration fees can be charged for a seller to register if the seller has no legal requirement to register. A written signature cannot be required for a seller to register. An agent may register a seller. A seller may cancel its registration at any time.**

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana would have to make legislative changes that transfer collection duties to a state agency; presumably the Department of Revenue.

KANSAS RESPONSE:

Include in central administration legislation.

KENTUCKY RESPONSE:

These provisions should not be an issue in isolation but see #4 for full response in context.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Registration fees are currently not imposed. However, legislation may be required to prohibit registration fees, allow agents to register and not require signatures.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

Does not appear to be a problem.

VIRGINIA RESPONSE:

Virginia does not charge a fee to register for taxes. A written signature is needed to register by mail, it is not needed if registering online. Currently, a seller that has no legal requirement to register may cancel registration at any time.

WASHINGTON RESPONSE:

Local governments that charge registration fees would have to cease doing so for those that have no legal requirement to register.

WEST VIRGINIA RESPONSE:

No effect.

- 6. Section 304 – States must provide sellers with as much advance notice as practicable of a rate change; limit the effective date of a rate change to the first day of a calendar quarter; and notify sellers of changes in tax base and amendments to tax rules and regulations.**

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana would have to make legislative changes that transfer collection duties to a state agency; presumably the Department of Revenue.

KANSAS RESPONSE:

Include in central administration legislation. Recommend that the notification requirement be satisfied by posting of the rate changes, tax rules and regulations on the Department's web site.

KENTUCKY RESPONSE:

Timely notice is a predominate concern of administration in most of these areas. Where central administration does not currently exist, this coordination requirement will place additional burdens upon DOR.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Additional resources will be needed to maintain rate and boundary database.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Legislation will be required to stipulate these requirements.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

At this time I believe the SD statutes for fee changes allows for adequate notice as required in the SST agreement.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have minimal impact to Virginia.

WASHINGTON RESPONSE:

Providing advance notice of rate changes, limiting the effective date of rate changes, and notifying sellers of changes in tax base and other changes would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

- 7. Section 304 – Must provide seller liability relief if states fail to provide at least 30 days between enactment of law providing for rate change and effective date of rate change if seller collects tax at old rate and failure to collect at the new rate does not extend beyond 30 days after enactment of new rate.**

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's designation of fees, nor the funds holding those fees. Indiana would have to make legislative changes that transfer collection duties to a state agency--presumably the Department of Revenue—in order to enforce Section 304.

KANSAS RESPONSE:

Include in central administration legislation.

KENTUCKY RESPONSE:

Timely notice is a predominate concern of administration in most of these areas. This provision should be attainable. The more centralization that can be achieved, the easier these provisions should be to enact.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Legislation will be required to provide relief of liability.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

This should be OK as statute already states when fee changes can occur.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have minimal impact to Virginia.

WASHINGTON RESPONSE:

Providing liability relief if the state fails to provide sufficient notice under the terms of section 304 would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

8. Section 305A. – Local rate changes can be effective only on the first day of a calendar quarter after 60 days notice to sellers.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's designation of fees, nor a county's or municipality's decision to change their respective rates. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to enforce Section 305A.

KANSAS RESPONSE:

Include in central administration legislation.

KENTUCKY RESPONSE:

This provision should be attainable.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Legislation will be required for this notice requirement.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

This should be OK for 911 fees as statute already states when fee changes can occur, although may need to amend the statute so it is the first of a calendar quarter. For cable franchise agreements, there is a problem with when the contract expires and the new one begins.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have minimal impact to Virginia.

WASHINGTON RESPONSE:

Providing that local rate changes would only be effective on the first day of a calendar quarter with 60 days notice to sellers would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

9. Section 305B – limits tax rate changes to purchases from printed catalogs to first day of calendar quarter after 120 days notice to sellers. Assumed not applicable to other taxes on communications services

INDIANA RESPONSE:

Not applicable.

KANSAS RESPONSE:

Kansas already has a requirement in place for sales tax, would expand to telecommunication taxes as part of the central administration legislation.

KENTUCKY RESPONSE:

Assumed not applicable to other taxes on communications services.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

N/A

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have minimal impact to Virginia.

WEST VIRGINIA RESPONSE:

No effect.

10. Section 305C – Apply local jurisdiction boundary changes only on the first day of a calendar quarter after 60 days notice to sellers.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's designation of fees, nor a county's or municipality's decision to change their jurisdictional boundaries. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to enforce Section 305C.

KANSAS RESPONSE:

Kansas already has a requirement in place for local sales tax, would expand to telecommunication taxes as part of the central administration legislation.

KENTUCKY RESPONSE:

Coordination of boundary changes will be an administrative challenge. See response # 11 for context.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Legislation will be required for this requirement.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

State already has a boundary database, but not sure if it includes county boundaries. This may take some work and would be costly.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have minimal impact to Virginia.

WASHINGTON RESPONSE:

Providing that local boundary changes would only be effective on the first day of a calendar quarter with 60 days notice to sellers would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

11. Section 305D – State must provide and maintain a database that describes boundary changes for all taxing jurisdictions, including effective date of change.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 305D.

KANSAS RESPONSE:

Kansas already has such an address database in place. Would require an upgrade to handle the telecommunications taxes and the accessing by other agencies.

KENTUCKY RESPONSE:

Kentucky has very limited boundary database responsibility at present. Other jurisdictions report on the challenges of working with local jurisdictions on such measures. Compliance will require a significant expenditure of revenue and resources.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain a boundaries database. Application of this section to “other communication taxes” would require the creation and maintenance of such a database, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Current SST database could be updated to accommodate this requirement.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

SD already has a boundary database for cities, but it only includes addresses within a city limits. To include county boundaries may take some work and would be costly. Also, a lot of county addresses might be post office boxes. The telecommunication company would need to have a specific physical address that is not a PO box.

VIRGINIA RESPONSE:

This would take a legislative change to require. The cost is unknown.

WASHINGTON RESPONSE:

Washington already maintains such a database for sales and use tax purposes. The local jurisdictions imposing other taxes on communications services also impose sales and use tax. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

12. Section 305E – State must provide and maintain a database of all tax rates of all jurisdictions levying taxes. FIPS codes must be used for jurisdictions which are states, counties, cities and parishes.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 305E.

KANSAS RESPONSE:

Kansas already has a tax rate database in place for sales tax. Would require upgrade with the telecommunications taxes.

KENTUCKY RESPONSE:

See response # 11.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain a database of local jurisdiction tax rates. Application of this section to “other communication taxes” would require the creation and maintenance of such a database, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Data base can be created.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

See #11

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have a minimal impact to Virginia, because the rates of the Virginia communications taxes are uniform statewide.

WASHINGTON RESPONSE:

Washington would have to develop additional databases for each type of tax. This would have cost implications.

WEST VIRGINIA RESPONSE:

No effect.

13. Section 305F – State must provide and maintain a database that assigns 5-digit and 9-digit zip codes to the proper tax rates and jurisdictions.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 305F.

KANSAS RESPONSE:

Kansas already has such an address database in place. Would require upgrade with the telecommunications taxes.

KENTUCKY RESPONSE:

See response # 11.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain such a database. Application of this section to "other communication taxes" would require the creation and maintenance of such a database, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Current SST database could be updated to accommodate this requirement. Will require funding and IT resources.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

See #11

VIRGINIA RESPONSE:

This would take a legislative change. Although Virginia already has a database assigning tax jurisdictions to 5-digit zip codes, it is for internal use by the Tax Department. As Virginia's communications tax rates are uniform, such a database may not be necessary.

WASHINGTON RESPONSE:

Washington would have to develop additional databases for each type of tax. This would have cost implications.

WEST VIRGINIA RESPONSE:

No effect.

14. Section 305G&H – Gives states the option of providing an addressed based database and of certifying vendor provided addressed based databases.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 305G & H.

KANSAS RESPONSE:

Kansas already does this for sales tax. Would need to be a part of the central administration legislative that the administrators connect to this service provided by the Department of Revenue.

KENTUCKY RESPONSE:

See response # 11.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain such a database. Application of this section to “other communication taxes” would require the creation and maintenance of such a database, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A – North Dakota uses zip codes.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

See #11

VIRGINIA RESPONSE:

As this provision is permissive, it would not require that Virginia make any changes.

WASHINGTON RESPONSE:

Washington would develop additional databases for each type of tax. This would have cost implications.

WEST VIRGINIA RESPONSE:

No effect.

15. Section 305I - Must make databases provided under E, F, G or H available by the first day of a month prior to the first day of a calendar quarter.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county’s or municipality’s administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 305I.

KANSAS RESPONSE:

Kansas already does this for sales tax. Would need to be a part of the central administration legislative that the administrators connect to this service provided by the Department of Revenue.

KENTUCKY RESPONSE:

See response # 11.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain such databases. Application of this section to “other communication taxes” would require the creation and maintenance of such databases, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require funding and IT resources.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

This is something we already do.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have a minimal impact to Virginia.

WASHINGTON RESPONSE:

Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

16. Section 306 – Provide seller liability relief for reliance on erroneous data in database provided under 305F, G or H.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county’s or municipality’s administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 306.

KANSAS RESPONSE:

Kansas already does this for sales tax. Would need to be a part of the central administration legislative that the administrators connect to this service provided by the Department of Revenue.

KENTUCKY RESPONSE:

See response # 6. This provision will require legislative action.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require legislation to provide liability relief.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

Would need legislation to conform to this.

VIRGINIA RESPONSE:

Virginia has uniform tax rates among all its jurisdictions. Therefore, no legislative change would be necessary.

WASHINGTON RESPONSE:

Providing liability relief under the terms of sections 306 for other taxes on communications services would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

17. Section 307 – Databases described in 305D, E, F and G must be provided in a downloadable format at no cost to the user.

INDIANA RESPONSE:

See Indiana's Response to Question 12.

KANSAS RESPONSE:

Kansas already does this for sales tax. Would need to be a part of the central administration legislative that the administrators connect to this service provided by the Department of Revenue.

KENTUCKY RESPONSE:

See response # 11.

MICHIGAN RESPONSE:

As Michigan has only one state-wide sales/use tax rate, and local jurisdictions do not levy sales/use tax, Michigan does not maintain such databases. Application of this section to “other communication taxes” would require the creation and maintenance of such databases, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Current SST database could be updated to accommodate this requirement. Will require funding and IT resources.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

This is something we already do.

VIRGINIA RESPONSE:

This would take a legislative change to require, but would have a minimal impact to Virginia. Virginia would incur administrative costs to acquire and set up the database for boundary changes and to make the current zip-code database accessible externally.

WASHINGTON RESPONSE:

Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

18. Section 308A - A state may not have multiple tax rates except for food and drugs.

Modified by amendment to apply separately to each type of tax.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county’s or municipality’s designation of fees, nor a county’s or municipality’s decision to change their respective rates. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to enforce Section 308A.

KANSAS RESPONSE:

This may be a problem with the franchise fee as the rate is set by each municipality.

KENTUCKY RESPONSE:

We have concerns that the gross revenues taxes imposed upon multichannel video programming at 2.4% and communications services at 1.3% may not be allowed under this provision.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Not an issue.

RHODE ISLAND RESPONSE:

Immediate compliance

SOUTH DAKOTA RESPONSE:

I am confused about this. If each taxing jurisdiction is allowed one rate, then this is OK. If the rate must be the same statewide, per type of fee, this is a difficult situation, especially for franchise fees, since they are by contract and each contract would have a different end date.

VIRGINIA RESPONSE:

Currently, none of Virginia's taxes on communications services have multiple rates.

WASHINGTON RESPONSE:

E-911 taxes have separately stated rates for switched access lines and radio access lines. There is a proposal for another separately stated rate for VoIP lines. Are these all considered one tax that would have to have the same rate? Or are they two (or three) separate taxes that could have divergent rates? If they all must have the same rate, statutory changes could be required. Although different rates have been legally possible for switched access lines and radio access lines, these per line taxes have had the same rate since the taxes were first enacted.

WEST VIRGINIA RESPONSE:

No effect.

19. Section 308B – Local jurisdictions may not have multiple tax rates.

Modified by amendment to apply separately to each “other tax on communications services”.

INDIANA RESPONSE:

See Indiana's Response to Question 18, as applied to enforcement of modified Section 308B.

KANSAS RESPONSE:

This may be a problem for franchise fees.

KENTUCKY RESPONSE:

According to the COST survey, Kentucky does have some areas where multiple rates apply. This provision will require the cooperation of the local jurisdictions. A similar idea has been proposed for the 911 tax. Legislative action would be required. The position of the local jurisdictions is unknown.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Currently not an issue; however, may need legislation to prevent multiple rates.

RHODE ISLAND RESPONSE:

RI does not have local taxes

SOUTH DAKOTA RESPONSE:

I don't believe this is a problem for SD.

VIRGINIA RESPONSE:

Currently, none of Virginia's taxes on communications services have multiple rates.

WASHINGTON RESPONSE:

E-911 taxes have separately stated rates for switched access lines and radio access lines. There is a proposal for another separately stated rate for VoIP lines. Are these all considered one tax that would have to have the same rate? Or are they two (or three) separate taxes that could have divergent rates? If they all must have the same rate, statutory changes could be required. Although different rates have been legally possible for switched access lines and radio access lines, these per line taxes have had the same rate since the taxes were first enacted.

WEST VIRGINIA RESPONSE:

No effect.

20. Section 309 – telecommunications services and ancillary services must be sourced pursuant to section 314. Video programming services must be sourced

pursuant to Section 310 (or 310.1 if the service meets the definition of a digital good and the state makes such election).

INDIANA RESPONSE:

Because sourcing rules must necessarily rely on a centralized, one-stop registration system,” Indiana would have to make legislative changes involving the methods counties, municipalities, and the State use to collect the Emergency Enhanced Fees.

KANSAS RESPONSE:

Kansas can meet this requirement.

KENTUCKY RESPONSE:

These sourcing provisions are primarily in place. Where central administration does not currently exist, this coordination requirement will place additional burdens upon DOR..

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Uncertain of local sourcing provisions.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Currently not an issue; however, may need legislation to assure correct sourcing.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I believe this is how these fees are sourced right now.

VIRGINIA RESPONSE:

Virginia currently sources telecommunications services and ancillary services in accordance with section 314 – wireless services and services not sold on a call-by-call basis are sourced to the customer's place of primary use. Services sold on a call-by-call basis or source to the jurisdiction where i) the call originates and terminates, or ii) the call originates or terminates and where the service address is also located.

WASHINGTON RESPONSE:

The sourcing of other taxes on communications services in the same way that sales tax on telecommunications service or other services under Sections 310 and 314 are sourced would require state statutory changes. There could be positive fiscal impacts for local jurisdictions, currently prohibited from taxing interstate communications if Washington eliminated local prohibitions on taxing interstate service.

WEST VIRGINIA RESPONSE:

No effect.

21. Section 316- Tax exemptions may only be allowed in accordance with the restrictions set out in Section 316.

INDIANA RESPONSE:

See Indiana's Response to Question 20, as applied to tax exemptions and enforcement of Section 316.

KANSAS RESPONSE:

This will have to be addressed with the central administration legislation.

KENTUCKY RESPONSE:

Other than the sales tax area, not many exemptions seem to apply. Where central administration does not currently exist, this coordination requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Uncertain of local exemption provisions.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Currently not an issue; however, may need legislation to restrict exemptions.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I do not know if there are any tax exemptions for these types of fees. I will have to check on that.

VIRGINIA RESPONSE:

Currently, the exemptions allowed for the taxes on other communications services in Virginia are in accordance with the restrictions set out in Section 316.

WASHINGTON RESPONSE:

The administration of exemptions for other taxes on communications services in the same way that exemptions for sales tax are administered would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

22. Section 317 – Tax exemptions must be administered in accordance with Section 317 and liability relief for sellers must be provided to sellers who follow such provisions.

INDIANA RESPONSE:

See Indiana's Responses to Questions 6-16.

KANSAS RESPONSE:

This will have to be addressed with the central administration legislation.

KENTUCKY RESPONSE:

Other than the sales tax area, not many exemptions seem to apply. This provision will require legislative action. Where central administration does not currently exist, this coordination requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will need legislation to provide liability relief.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

See #21

VIRGINIA RESPONSE:

Assuming that the Department of Taxation assumes responsibility of the administration of these taxes, this requirement would have no impact.

WASHINGTON RESPONSE:

The administration of exemptions for other taxes on communications services in the same way that exemptions for sales tax are administered would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

23. Section 318 – Limits a state to only requiring one tax return for the state and all taxing jurisdictions. Requires states to allow for electronic filing.

Modified by the amendment to provide that there shall be one state-specific uniform return for each type of other tax on communications services.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 318. The implementation of electronic filing in each county or municipality that collects Emergency Enhanced Fees would require significant expenditure of time and resources.

KANSAS RESPONSE:

This may have to be addressed with the central administration legislation

KENTUCKY RESPONSE:

One state-specific return and electronic filing are already available in several applications. However, compliance will require a significant expenditure of revenue and resources to incorporate the local tax return process into a centralized and electronic process.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Additional resources to develop return and processing system. Requires changes in city statutes.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require legislation for Emergency Services Communications Systems Fee to create one form and central filing of returns.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

There will be a cost to this to design a database for returns. It will also require legislation.

VIRGINIA RESPONSE:

Currently, taxpayers remit the Communications Sales and Use Tax, the Tax for Enhanced 911 service (landline), and the Public Rights-of-Way Use Fee paid by cable operators using the Communications Sales and Use Tax Return, which can be filed electronically. The Wireless E-911 Surcharge is remitted to the Wireless E-911 Services Board. The Public Rights-of-Way Use Fee paid by providers of telecommunications service is remitted to either the Virginia Department of Transportation or a specific locality. Assuming that the Department of Taxation assumes responsibility of the administration of the remaining communications taxes, this requirement would have no impact.

WASHINGTON RESPONSE:

One statewide return for each type of tax on communications services would require state statutory changes. There would be cost impacts to the state due to additional returns and additional processing. If states are not prohibited from requiring electronic filing it would mitigate those additional costs.

WEST VIRGINIA RESPONSE:

No effect.

- 24. Section 319 – Imposes uniform rules for remittances of taxes, including requiring all remittances reported on the approved simplified format to be remitted electronically; allowing for electronic payments by both ACH credit and ACH debit; providing alternative method for making same day payments if an electronic funds transfer fails; requiring that data accompanying remittances be formatted using uniform codes approved by governing board; and adopting standardized transmission process approved by governing board that allows for bulk payment for taxes reported on multiple simplified electronic returns.**

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 319. The implementation of electronic payment and administration procedures in each county or municipality that collects Emergency Enhanced Fees would require significant expenditure of time and resources.

KANSAS RESPONSE:

It is expected Kansas can meet this requirement. Needs to be addressed as part of the central administration legislation.

KENTUCKY RESPONSE:

These requirements seem to all be in place in one area or another. There will be some cost and development time to incorporate all the provisions to every application. These costs and the requisite development time could be substantial.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown. Significant system changes would be required, at unknown cost.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require funding and IT resources to develop systems to accept simplified formats and electronic payments.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

There will be a cost to do this.

VIRGINIA RESPONSE:

Currently, taxpayers remit the Communications Sales and Use Tax, the Tax for Enhanced 911 service, and the Public Rights-of-Way Use Fee paid by cable operators can be paid by electronics funds transfer. Assuming that the Department of Taxation assumes responsibility of the administration of the remaining communications taxes, this requirement would have no impact.

WASHINGTON RESPONSE:

Uniform rules for remittances of tax on communications services would require state statutory changes. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

25. Section 320 – Requires states to allow sellers to take deductions for bad debts and imposes uniform rules.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control,

administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 320.

KANSAS RESPONSE:

Need to be addressed with the central administration legislation.

KENTUCKY RESPONSE:

It is unknown how local jurisdictions would react to this requirement for other taxes. This would require legislative action with further research required.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Not certain of local provisions for bad debts.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require legislation to provide for bad debts in Emergency Services Communications Systems Fee and Fargo city gross receipts tax.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I am not sure if this is done now, but should not be too much of a problem.

VIRGINIA RESPONSE:

Currently, taxpayers are allowed a deduction for bad debts for the Communications Sales and Use Tax. Legislation would be needed to allow a deduction for bad debts for the TAX for Enhanced 911 Service, the Wireless E-911 Surcharge, and the Public Rights-of-Way Use Fee.

WASHINGTON RESPONSE:

Uniform rules for deductions for bad debts on taxes on communications services would require state statutory changes. Presently, we cannot assess the cost implications. Does this requirement only apply to those taxes collected from subscribers by communications service providers?

Some cities object to bad debt deductions.

WEST VIRGINIA RESPONSE:

No effect.

26. Section 321 – Limits certification of CSPs to those which have specific privacy protections; requires public notice of state’s practices relating to certain information; requires state to provide access to individuals of information concerning such individual; and requires notification to individual of inquiries regarding information relating to such individual.

INDIANA RESPONSE:

Indiana asserts that it is in full compliance with Section 321.

KANSAS RESPONSE:

It is expected Kansas can meet this requirement. Needs to be addressed as part of the central administration legislation.

KENTUCKY RESPONSE:

Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

It is unclear how CSPs will be involved in other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I am not sure any of the telecom companies would use a CSP for these fees, but if they did SD already has these provisions in place.

VIRGINIA RESPONSE:

As most of the requirements of Section 321 regarding privacy protection of personally identifiable information is already mandated by federal law for cable providers, this section would have minimal impact on Virginia, provided that taxpayers are required to produce information to verify the proper collection of taxes on other communications services during an audit.

WEST VIRGINIA RESPONSE:

No effect.

27. Section 322 – Authorizes sales tax holidays pursuant to certain procedures. Assumed not applicable to other taxes on communications services

INDIANA RESPONSE:

Indiana does not provide for sales tax holidays.

KANSAS RESPONSE:

N/A

KENTUCKY RESPONSE:

N/A

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

N/A

VIRGINIA RESPONSE:

Currently, Virginia has no sales tax holidays that are applicable to other taxes on communications services.

WEST VIRGINIA RESPONSE:

No effect.

28. Section 323 – Prohibits caps and thresholds.

INDIANA RESPONSE:

Both IC §§ 36-8-16-5 and 36-8-16.5-25.5 provide caps and thresholds. Therefore, Indiana would have to make legislative changes to comply with Section 323.

KANSAS RESPONSE:

N/A

KENTUCKY RESPONSE:

This provision should be acceptable but further research is required.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Local 911 fees may have caps.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Require legislation to remove cap from Telephone access line and radio communications access surcharge. Current law caps fee to 100 lines per customer. Will require legislation to prohibit caps and thresholds in other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

At this time there is a threshold of 100 lines. Any customer who has more than 100 lines is capped at 100. We would like to see an exception for this type of cap.

VIRGINIA RESPONSE:

Currently, Virginia has no caps or thresholds on taxes on other communications services.

WASHINGTON RESPONSE:

The prohibition of caps and thresholds would have to be placed in state statute. Local ordinances would have to be amended to the extent caps and thresholds existed, principally for local business and occupation taxes but also possibly for business licensing fees. There could be fiscal impacts on local governments and on communications service providers.

WEST VIRGINIA RESPONSE:

No effect.

29. Section 324 – Requires use of rounding rule which rounds up to next cent whenever 3rd decimal place is greater than 4.

INDIANA RESPONSE:

In response to a discrepancy provided in CRIC's 2009 Compliance Report, Indiana Department of Revenue working with Indiana General Assembly to amend IC 6-2.5-2-2(b) as applied to sales and use tax.

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 324.

KANSAS RESPONSE:

This may have to be addressed with the central administration legislation.

KENTUCKY RESPONSE:

No problem is anticipated but further research is required.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Uncertain if local provisions have rounding rules.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will require legislation or administrative rule regarding rounding.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This should not be a problem.

VIRGINIA RESPONSE:

This would require legislation, but the impact would probably be minimal to Virginia.

WASHINGTON RESPONSE:

The rounding rule would have to be placed in state statute.

WEST VIRGINIA RESPONSE:

No effect.

30. Section 325 – Requires certain customer refund procedures to be used if a state allows a purchaser to seek a return of over-collected tax from a seller.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 325.

KANSAS RESPONSE:

This may have to be addressed with the central administration legislation.

KENTUCKY RESPONSE:

No problem is anticipated but further research is required.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEBRASKA RESPONSE:

Uncertain if local provisions for refunds.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

May require legislation for refund on over-collected tax.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

Will require legislation, but should not be too much of a problem.

VIRGINIA RESPONSE:

Currently, Virginia allows a purchaser to seek a return of over-collected tax from a seller. Legislation would be needed to require that a cause of action would not accrue against the seller until a purchaser has provided written notice and the seller has 60 days to respond. Legislation would also be needed to have a presumption of reasonable business practices in connection with such request if the seller i) uses a certified provider or system and ii) has remitted all taxes to the state.

WASHINGTON RESPONSE:

Customer refund procedures would have to be placed in state statute. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

31. Section 326 – Requires states to provide for direct pay permits. It appears that this requirement is only for states and not local governments but that is not clear.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with Section 326. The implementation of direct pay

permits and administration procedures in each county or municipality that collects Emergency Enhanced Fees would require significant expenditure of time and resources.

KANSAS RESPONSE:

N/A

KENTUCKY RESPONSE:

The application of this provision for other communications taxes is unclear.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Uncertain if local provisions allow for direct pay permits.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

South Dakota would be opposed to Direct Pay permits for these types of fees.

VIRGINIA RESPONSE:

Currently, Virginia allows persons who use taxable communications services to apply to pay the Communications Sales and Use Tax directly using direct pay permits. Legislation would be necessary to expand this to the other communications taxes.

WASHINGTON RESPONSE:

Not sure that direct pay and communications taxation are a good fit. We are unclear whether this Section should apply to communications services.

WEST VIRGINIA RESPONSE:

No effect.

32. Section 327 – Requires use of common definitions.

INDIANA RESPONSE:

Indiana asserts that it is in full compliance with Section 327.

KANSAS RESPONSE:

This can be addressed with the central administration legislation.

KENTUCKY RESPONSE:

Legislative action would be required. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Uncertain of tax base used by locals.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

May require legislation for local gross receipts tax. Currently, Fargo is only local gross receipts tax. It is unclear if common definitions must be used in North Dakota Telecommunication gross receipts tax and Fargo local gross receipts tax.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This may already be in place, but will need to check on it.

VIRGINIA RESPONSE:

Definitions used for the Virginia Communications Sales and Use Tax are similar to those found in the Library of Definitions for the SSUTA. However, definitions are used in all three of the Virginia taxes on other communications services that are not found in the Library of Definitions. Legislation would be needed to conform the definitions used in the Virginia Communications Sales and Use Tax with the Library of Definitions.

WASHINGTON RESPONSE:

Changes in terminology would require statutory changes at both the state and local level. Presently, we cannot assess the cost implications.

WEST VIRGINIA RESPONSE:

No effect.

33. Section 328 – Requires a taxability matrix and seller liability relief from erroneous information.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control,

administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with Section 328.

KANSAS RESPONSE:

It is expected Kansas can meet this requirement. Needs to be addressed as part of the central administration legislation.

KENTUCKY RESPONSE:

This provision will require legislative action. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Could be developed assuming legislation provides authority for liability relief.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This should not be a problem since there are so few fees.

VIRGINIA RESPONSE:

Virginia has not currently completed a taxability matrix but could so with minimal impact.

WASHINGTON RESPONSE:

Seller liability relief would require statutory changes at the state level. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

34. Section 329 – Limits manner in which effective date for rate changes may be applied.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's designation of

fees, nor a county's or municipality's decision to change their respective rates. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to enforce Section 329.

KANSAS RESPONSE:

This can be addressed with the central administration legislation.

KENTUCKY RESPONSE:

This provision should be attainable, but where central administration does not currently exist, this requirement will place additional burdens upon DOR.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I believe the 911 fees already have this in place, but the franchise fees are a problem since they are by contract and have different end dates.

VIRGINIA RESPONSE:

Legislation would be required to specify the effective date of a rate change.

WASHINGTON RESPONSE:

Limits on effective date for rate changes would require statutory changes at the state level. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

35. Section 330 – Provides limitations on calculation of tax on bundled transactions.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control,

administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 330.

KANSAS RESPONSE:

This can be addressed with the central administration legislation as it pertains to franchise fees.

KENTUCKY RESPONSE:

This provision will require legislative action. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A. Do not believe bundled transactions apply to any of the other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

I don't think any of these fees are bundled.

VIRGINIA RESPONSE:

Virginia currently treats communications services in accordance with the SSUTA's treatment of bundled transactions.

WASHINGTON RESPONSE:

Applying bundled transaction provisions to other taxes on communications services would require statutory changes at the state level. It is unclear how such provisions would apply to many taxes on communications services. Presently, we cannot assess the cost implications.

WEST VIRGINIA RESPONSE:

No effect.

36. Section 331 – Provides for purchaser liability relief for reliance on certain erroneous data.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration,

maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 331.

KANSAS RESPONSE:

This can be addressed with the central administration legislation.

KENTUCKY RESPONSE:

This provision will require legislative action. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation to provide liability relief.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This should be OK, but may take legislation.

VIRGINIA RESPONSE:

Legislation would be required to relieve a purchaser of liability if it relied on information provided by a member state or a certified database. Currently, the Tax Commissioner must abate any portion of tax, penalty, or interest attributable to erroneous advice furnished to the taxpayer in writing by an employee of the Department acting in his official capacity if:

1. The written advice was reasonably relied upon by the taxpayer and was in response to a specific written request by the taxpayer;
2. The portion of the penalty or tax did not result from a failure by the taxpayer to provide adequate or accurate information; and
3. The facts of the case described in the written advice and the request therefor are the same, and the taxpayer's business or personal operations have not changed since the advice was rendered.

WASHINGTON RESPONSE:

Applying purchaser liability relief provisions to other taxes on communications services would require statutory changes at the state level. Presently, we cannot assess the cost implications.

WEST VIRGINIA RESPONSE:

No effect.

37. Section 332 – Provides rules of construction for taxes imposed on digital products and specified digital products.

INDIANA RESPONSE:

In response to a discrepancy provided in CRIC's 2009 Compliance Report, Indiana Department of Revenue working with Indiana General Assembly to amend IC 6-2.5-4-16.4 as applied to sales and use tax imposed on specified digital products.

If provision of emergency 911 services necessarily involves digital products and specified digital products, Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 332.

KANSAS RESPONSE:

This can be addressed with the central administration legislation.

KENTUCKY RESPONSE:

This provision will likely require legislative action and will reduce the tax base in some cases. See response # 3 .

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A. Do not believe digital products apply to any of the other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This might only be a problem with the relay fee, but have not looked into that enough to know.

VIRGINIA RESPONSE:

Currently, Virginia does not tax digital products delivered electronically.

WASHINGTON RESPONSE:

Our understanding is that this Section would not apply to “other taxes on communications services.”

WEST VIRGINIA RESPONSE:

No effect.

38. Section 333 – limits use of term “tangible personal property”.

INDIANA RESPONSE:

Indiana asserts that it is in full compliance with Section 333.

KANSAS RESPONSE:

This can be addressed with the central administration legislation.

KENTUCKY RESPONSE:

This provision is in place for sales tax. Not sure how the requirement applies to other communications taxes.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A. Do not believe TPP definition applies to any of the other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

Should not be a problem.

VIRGINIA RESPONSE:

Currently, Virginia does not include any product delivered only electronically in its definition of "tangible personal property."

WASHINGTON RESPONSE:

Our understanding is that this Section would not apply to “other taxes on communications services.”

WEST VIRGINIA RESPONSE:

No effect.

39. Section 334 – Prohibits replacement taxes. Assumed not applicable to other taxes on communications services.

INDIANA RESPONSE:

Indiana asserts that it is in full compliance with Section 334.

KANSAS RESPONSE:

N/A

KENTUCKY RESPONSE:

Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A – Do not believe replacement taxes apply to any of the other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

N/A

VIRGINIA RESPONSE:

N/A

WEST VIRGINIA RESPONSE:

No effect.

40. Section 401 – Requires an online registration system that allows sellers to register in all member states.

Modified by the amendment to permit a centralized, one-stop registration system at the state level for taxes administered solely within the state. Sellers must also be allowed to register directly with localities.

INDIANA RESPONSE:

The modification regarding “a centralized, one-stop registration system” would require legislative changes involving the methods counties, municipalities, and the State use to collect the Emergency Enhanced Fees.

KANSAS RESPONSE:

Most of the registration system is in place, would require changes to the systems to add the additional taxes and to provide for a local registration option.

KENTUCKY RESPONSE:

See response # 4. The cost involved and the time for development are concerns.

MICHIGAN RESPONSE:

Michigan’s current registration system will not accommodate registration by “other communication tax” taxpayers.

NEBRASKA RESPONSE:

May have effect on State’s ability to track new registrations for purposes of vendor compensation trigger.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Will need legislative authority to accomplish registration at state and local levels. Will also need funding and IT resources to develop systems.

RHODE ISLAND RESPONSE:

In compliance. RI does not have any local taxes.

SOUTH DAKOTA RESPONSE:

There would be a cost to a centralized system, and may require legislation. Should work OK as long as the seller has to register with the central system and has an option of also registering with the localities. It would be a problem if they could skip the central registration and just register with the local.

VIRGINIA RESPONSE:

Virginia does not currently participate in a registration system in cooperation with other member states, however, sellers may register for the Communications Sales and Use Tax, the Tax for Enhanced 911 Service, and the Public Rights-of-Way Use Fee paid by cable operators online at the Virginia Department of Taxation's website. This application does not allow registration for the Wireless E-911 Surcharge or the Public Rights-of-Way Use Fee paid by providers of telecommunications service.

Virginia would need to create a system or modify the Department of Taxation's existing registration system to allow for the registration of all of the taxes on communications services.

WASHINGTON RESPONSE:

Having a state-level centralized registration system for each state and local tax on communications services would require state statutory changes. Coordination between local registration systems and state registration systems would be required for those who register directly with localities.

For a number of years, Washington has been moving in this direction. We have a one-stop business registration program that includes cities. However, only 25 cities are participating. Some local registration systems have different time tables for registering, which makes movement to a unified system more challenging. The state has not been able to meet the needs of the cities because of a lack of resources. Substantial financial resources would be needed to do the job properly.

WEST VIRGINIA RESPONSE:

No effect.

41. Section 402 – Requires amnesty for unpaid taxes for sellers not registered in the 12 month period preceding the state’s participation in the Agreement and who register within 12 months of the effective date of the state’s participation in the Agreement.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county’s or municipality’s administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 402.

KANSAS RESPONSE:

This requirement would be incorporated into the central administration legislative proposal

KENTUCKY RESPONSE:

This provision will require legislative action. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEBRASKA RESPONSE:

Uncertain of local statute of limitations.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

N/A

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

Not a problem since SD is already past the 12 month period. I would hope it does not start over for these fees.

VIRGINIA RESPONSE:

This would require legislation, but the impact would probably be minimal to Virginia.

WASHINGTON RESPONSE:

If this requirement is meant to apply to current SST member states, it would require state statutory changes in Washington. Would amnesty apply only to new member states? Presently, we cannot assess the cost implications.

WEST VIRGINIA RESPONSE:

No effect.

42. Section 403 – Allows sellers to use a CSP or CAS to remit taxes.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 403.

KANSAS RESPONSE:

This requirement would be incorporated into the central administration legislative proposal

KENTUCKY RESPONSE:

No problem with this provision, but see response # 23 for context.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation to allow CSP and CAS for communication taxes. I'm unclear on how CSP or CAS applies to other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

May be a cost associated with allowing the CSP/CAS to file these fees.

VIRGINIA RESPONSE:

Currently, Virginia allows the use of certified service providers and certified automated systems to remit the Communications Sales and Use Tax, the Tax for Enhanced 911 Service, and the Public Rights-of-Way Use Fee paid by cable operators.

WASHINGTON RESPONSE:

To the extent monetary allowances would be required to be paid to CSPs or sellers using CASs, state statutory provisions would have to be enacted and would have cost implications.

WEST VIRGINIA RESPONSE:

No effect.

43. Section 404 – Allows sellers to be registered by an agent.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees. Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 404.

KANSAS RESPONSE:

This requirement would be incorporated into the central administration legislative proposal

KENTUCKY RESPONSE:

This provision will require legislative action. Further research is needed

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

Should not be a problem.

VIRGINIA RESPONSE:

This would require legislation, but the impact would probably be minimal to Virginia.

WASHINGTON RESPONSE:

State statutory amendment would probably be required. Presently, we do not believe this would have large cost or administrative implications.

WEST VIRGINIA RESPONSE:

No effect.

44. Section 501 – Requires the Governing Board to certify CAS and CSP.

INDIANA RESPONSE:

Indiana asserts that its statutes, regulations, and normal and customary procedure, facilitate Indiana's compliance with section 501.

KANSAS RESPONSE:

This requirement would be incorporated into the central administration legislative proposal

KENTUCKY RESPONSE:

This provision will require legislative action. Further research is needed

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation for telecommunication taxes. I'm unclear on how CSP or CAS applies to other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This is not a problem.

VIRGINIA RESPONSE:

This would require legislation, but the impact would probably be minimal to Virginia.

WEST VIRGINIA RESPONSE:

No effect.

45. Section 502 – Requires states to review and certify software for CAS. Unclear if this has any applicability to local governments.

INDIANA RESPONSE:

Because the fiscal bodies collecting Emergency Enhanced Fees are not state agencies, Indiana currently does not control a particular county's or municipality's administration, maintenance, or collection of fees and data associated with the Emergency Enhanced Fees.

Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 502.

KANSAS RESPONSE:

N/A

KENTUCKY RESPONSE:

This provision is in place for sales tax. Expansion to the other areas should be attainable. It is undetermined if local governments would be prepared to deal with this requirement.

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Would require legislation for telecommunication taxes. I'm unclear on how CAS may apply to other telecommunication taxes.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

N/A

VIRGINIA RESPONSE:

This would require legislation, but the impact would probably be minimal to Virginia.

WEST VIRGINIA RESPONSE:

No effect.

46. Article VI – Deals with vendor compensation. Proposals to amend current requirements with regard to this issue are pending.

INDIANA RESPONSE:

Indiana asserts that analysis of vendor compensation, various alternative proposals, and their respective elements is ongoing. Indiana has provided input and otherwise collaborated with other Member States in this analysis.

KANSAS RESPONSE:

None required at this time.

KENTUCKY RESPONSE:

Not able to determine at this time.

MICHIGAN RESPONSE:

Application of this requirement would require legislative action, the prospects for which are unknown. As no vendor compensation is currently applicable for “other communications taxes,” this is likely to be a significant issue.

NEBRASKA RESPONSE:

Not certain if compensation paid on communication taxes.

NEW YORK RESPONSE:

NORTH DAKOTA RESPONSE:

Current state laws/city ordinances provide compensation for Emergency Services Communications Systems Fee (up to 5%); Telephone access line and radio communications access surcharge (5%), Fargo city gross receipts tax (3%). Would need legislation to provide compensation for North Dakota Telecommunications Gross Receipts Tax.

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

Some of the fees already require vendor comp and some do not. It will take legislation to change any of it.

VIRGINIA RESPONSE:

Currently, Virginia provides a dealer discount for the Communications Sales and Use Tax of either 4%, 3%, or 2%, depending on monthly taxable sales, of the first 3% of the Communications Sales and Use Tax collected as compensation, and a dealer discount of

3% for the Wireless E-911 Fee and the Tax for Enhanced 911 Service. There is no dealer discount for the Public Rights-of-Way Use Fee.

WEST VIRGINIA RESPONSE:

No effect.

47. Section 803 – Requires annual recertification of compliance.

INDIANA RESPONSE:

Indiana asserts that it is in full compliance with Section 803. With respect to Emergency Enhanced Fees, Indiana would have to make legislative changes that transfer control, administration, and collection duties to a state agency--presumably the Department of Revenue—in order to comply with, and enforce Section 803.

KANSAS RESPONSE:

Kansas can meet this requirement.

KENTUCKY RESPONSE:

This provision will require legislative action. Where central administration does not currently exist, this requirement will place additional burdens upon DOR. Further research is needed

MICHIGAN RESPONSE:

The effect of application of this requirement is unknown.

NEW YORK RESPONSE:

RHODE ISLAND RESPONSE:

In compliance

SOUTH DAKOTA RESPONSE:

This should not be a problem.

VIRGINIA RESPONSE:

This would have minimal impact.

WEST VIRGINIA RESPONSE:

No effect.