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Craig Johnson  
Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
100 Majestic Drive, Suite 400  
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Via Email: [craig.johnson@sstgb.org](mailto:craig.johnson@sstgb.org)

Dear Craig,

As the former chair of the Compliance and Sanctions workgroup, I have been contacted by several member states regarding the process the Executive Committee will advance in its consideration of sanctions for state compliance matters. The Governing Board is entering new territory for this most important Streamline issue. The BAC has submitted a report regarding the sanctions it proposes for those states found out of compliance with the Agreement. In that report, the BAC set forth its ideas for a process with various levels of sanctions based upon the severity of the violation.

The BAC proposal for varying levels of sanctions was not brought forward to the workgroup during its discussions, which in my view was the appropriate time to take up the matter, particularly as it was represented in the workgroup. The workgroup's direction was to fully explore the interplay between compliance and sanctions in order to develop a comprehensive approach for Governing Board consideration, rather than a piecemeal process.

While the proposal put forward by the BAC has some merit, it treats every infraction as a cause for sanctions. The proposal also introduces terms which are subjective in nature, such as "intentional," "severe," and "extreme." These terms are a deviation from the established "substantial" compliance standard, which is already difficult to assess.

The states should be provided with the opportunity to fully discuss the specific sanctioning process. If a workgroup will not be assigned to this matter or the prior workgroup restarted, please let me know so that I can inform those states who have contacted me of their need to provide individual input. In addition, please circulate this document to the members of the Executive Committee for consideration at the meeting scheduled for April 21, 2016.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Gina Dougherty".

Gina Dougherty  
Compliance and Sanction Workgroup Chair