

STREAMLINED SALES AND USE TAX AGREEMENT
COMPLIANCE REVIEW AND INTERPRETATIONS COMMITTEE

Interpretative Opinion Recommendation 2006-09

This Interpretation Recommendation is made to the Governing Board by the Compliance Review and Interpretations Committee this 14th day of September, 2006 in accordance with Article IX, Rule 902 of Rules and Procedures adopted by the Streamlined Sales Tax Governing Board, Inc.

The party requesting the interpretation is Suzanne Beaudelaire of Ernst & Young, LLP. The request was made on the prescribed form dated August 16, 2006, and was made pursuant to the provisions for expedited consideration contained in Rule 902 at subsection H.

Issue

The issue presented is an interpretation of Agreement section 402 pertaining to amnesty. The question presented was whether companies (predecessor companies) would be eligible for amnesty under Agreement section 402 if another company (successor company) acquired the assets and liabilities of the predecessor companies and then registered to collect sales/use tax through the SST central registration system. According to facts presented in the request, the predecessor companies no longer exist, but would qualify for amnesty under Agreement section 402 if they still existed and they registered through the central registration system.

Public Comment

No written public comments were received. Ms. Beaudelaire's discussion and response to the committee's questions during the September 14, 2006 meeting were the only oral comments presented to the committee. Other issues regarding liability for sales/use tax related to predecessor companies were raised during the discussion, but the following recommendation is limited to the specific question addressed in Ms. Beaudelaire's request.

Recommendation

By unanimous consent the Compliance Review and Interpretations Committee submits to the Governing Board a recommendation that predecessor companies that do not register through the central registration system are not eligible for amnesty under Agreement section 402.

Rationale

Section 402A(1) of the agreement provides amnesty for uncollected or unpaid sales or use tax to a seller that registers to pay or to collect and remit applicable sales or use tax in accordance with the terms of the agreement. The agreement language is clear that amnesty is not available to companies that do not register under the agreement.

Committee Members

Larry Wilkie, Committee Chair; Myles Vosberg, Andy Sabol, Tony Mastin, Dan Noble, Tom Conley representing Joseph Van Devender, and Dale Vettel