

**STREAMLINED SALES AND USE TAX AGREEMENT
COMPLIANCE REVIEW AND INTERPRETATIONS COMMITTEE**

Interpretative Opinion 2008-01

This Interpretative Opinion recommendation is made to the Governing Board by the Compliance Review and Interpretations Committee this 13th day of March, 2008 in accordance with Article IX, Rule 902 of the Rules and Procedures adopted by the Streamlined Sales Tax Governing Board, Inc.

The party requesting the interpretation is Mr. Drew Gruenburg, Senior Vice President of the Society of American Florists of Alexandria, Virginia. The request was made on January 30, 2008.

Issue

Significant numbers of floral orders are placed through arrangements whereby a florist in one location (“Accepting Florist”) takes an order from a customer to deliver floral orders (flowers, floral arrangements, potted plants, floral containers or any other article common to the floral business) to a third party recipient in another location. The Accepting Florist transmits a floral order to another florist (“Delivering Florist”) for delivery to the third party recipient. The question presented asks who is the seller for sales and use tax purposes, the Accepting Florist or the Delivering Florist.

Public Comment

Additional written comments were received from Mr. Paul Goodman representing the Society of American Florists.

Recommendation

By unanimous consent of the participating members, the Compliance Review and Interpretations Committee submits to the Governing Board a recommendation that the seller in the scenario described is the Accepting Florist.

Rationale

The Governing Board took action at its inaugural meeting on October 1, 2005 related to a similar request for interpretation from the floral industry. That action was recorded in the minutes of the meeting as: “A motion for an interpretation of who is the seller for floral orders through floral delivery networks was moved by South Dakota, seconded by Oklahoma and passed.” No other formal record of this action has been located. Action on this interpretation recommendation will create a record through the same process by which subsequent interpretations have been handled.

Agreement Section 212 defines the term “seller” as “a person making sales, leases, or rentals of personal property or services.” This definition was established for application within the Agreement, therefore the provisions of the Agreement applicable to the Library of Definitions, including Section 327, do not apply.

Agreement Section 309.B.4 provides that the general sourcing provisions of Section 310 do not apply to sales or use taxes levied on florist sales until December 31, 2009. Issues

of sourcing are separate and distinct, and are not addressed in this interpretation recommendation in any way.

Participating Committee Members

John Doyle, Committee Chair, Larry Wilkie, Myles Vosberg, Tony Mastin, Joseph VanDevender, and Dale Vettel