

A motion by Oklahoma to relating to vendor compensation in proposed federal legislation:

Sec. 6. MINIMUM SIMPLIFICATION REQUIREMENTS

(a)

(14) A. ~~As of the day that authority~~In order for a Member State to require collection commences with respect to remote sales under section 4, each the Member State shall provide reasonable compensation for expenses incurred by a seller directly in administering, collecting, and remitting sales and use taxes (other than use taxes on goods and services purchased for the consumption of the seller) to that Member State. Such compensation may vary in each Member State depending on the complexity of the sales and use tax laws in that Member State and may vary by the characteristics of sellers in order to reflect differences in collection costs.

B. Congress hereby finds that the compensation required of member states under the terms of the Agreement as it exists on the effective date of this act is reasonable compensation when considered in connection with the simplification requirements contained in the Agreement on the effective date of this Act. Congress further finds that variation in compensation in Member States depending on the complexity of the sales and use tax laws in that Member State as provided in the Agreement is reasonable and the caps on total compensation provided in the Agreement are reasonable. Congress further finds that variation in compensation in Member States depending on the complexity of the sales and use tax laws in that Member State as provided in the Agreement is reasonable Congress further finds that the process set out in the Agreement for modifying the compensation required for a Member State to comply with the requirements of subsection A of this section is reasonable and in accordance with the requirements of subsection C of this Section.

C. When amendments are made to the Agreement after the effective date of this Act which affect the expenses incurred by sellers in administering, collecting and remitting sales and use taxes, the Governing Board may amend the Agreement to modify the compensation required for a Member State to comply with the requirement of subsection A of this section to provide reasonable compensation for all sellers for expenses incurred by a seller in administering, collecting, and remitting sales and use taxes (other than use taxes on goods and services purchased for the consumption of the seller) to that Member State. Any such changes in the required compensation must be based on an independent review of the expenses incurred by sellers in administering, collecting and remitting sales and use taxes

D. The compensation required by this section shall be provided pursuant to the implementation schedule set out in the Agreement on the effective date of this Act. Nothing in this Act shall prohibit a Member State from providing compensation greater than the amount required by this Act or the Agreement or on a date earlier than required by this Act or the Agreement.

E. ~~Such compensation~~ Compensation necessary to meet the requirement of this section may be provided to a seller or a third party service provider whom a seller has contracted with to perform all the sales and use tax responsibilities of a seller.