

A motion by Oklahoma relating to an amendment to MC10008 as filed on April 16, 2010

(20) Application of Simplification Requirements to Taxes on Communications Services.

(A) . . .

(B) Other Taxes on Communications Services – Not later than the first day of the calendar quarter beginning on or after the third anniversary of the enactment of this Act, each Member State shall enact such statutory provisions as are necessary to apply the simplification requirements of this Section 7, as modified by subparagraph (E) of this paragraph, to taxes on communications services, other than sales and use taxes. Such simplification requirements shall be applied separately to each type of tax on communications services within a State and, for purposes of applying such requirements to each type of tax other than sales and use tax, references in paragraphs (1) through (19) to sales and use taxes shall be treated as referring to such other type of tax.

(C) Grant of Authority – Each Member State found to be in compliance by the Governing board with the provisions of the Agreement corresponding to subparagraph (B) of this paragraph is authorized, subject to the requirements of Section 4, to require all sellers not qualifying for a small seller exception, to collect and remit such other taxes on communications services with respect to remote sales sourced to that Member State under the Agreement on the first day of a calendar quarter at least 6 months after the date the Governing Board certifies such state’s compliance with this provision.

(D) Termination – A state that has failed to be found in compliance with subparagraph (B), or which does not provide for the administrative implementation of the statutory provisions enacted to provide the simplification requirements of this Section 7, as modified by subparagraph (E) of this paragraph, to taxes on communications services within the later of two years after the enactment of such statutory provisions or the enactment of this Act, shall no longer possess or exercise with respect to any tax the authority granted to Member States under Section 4(a) until such Member State is found to be in compliance with subparagraph 4(B). The state shall still be considered a Member State for purposes of Section 4(a)(2)(A), notwithstanding the loss of authority.