

MC06005

Alternative CSP compensation formulas:

Member States and Associate Member States may offer to compensate CSPs at percentage rates that are different from the percentage rates for volunteer sellers in Section D.5 of the CSP contract if the state offers to compensate CSPs for remitting taxes on behalf of some or all non-volunteer sellers in that state. If a Member State or Associate Member State offers a different compensation formula, it shall report the formula to the Executive Committee and affirm all of the following:

1. The Member State or Associate Member State will offer the same alternative formula to all CSPs that have a contract with the Governing Board.
2. Each CSP has a right to accept or reject the alternative formula.
3. If a CSP rejects the alternative formula, the obligation of the Member State or Associate Member State to pay compensation under the CSP contract remains unchanged. If a CSP accepts the alternative formula, any Member State or Associate Member State may elect to utilize the formula for that CSP.
4. The alternative formula will not adversely affect the compensation that any other Member State or Associate Member State pays on taxes due from volunteer sellers.
5. Except for the percentage rates set forth in Section D.5 of the CSP contract and any compensation offered to CSPs for remitting taxes on behalf of non-volunteer sellers, nothing in the CSP contract will be changed by the alternative formula.
6. The alternative formula will not take effect for any CSP that accepts the offer until the President of the Governing Board and the CSP sign an agreement implementing the change as a modification to the CSP contract.

The Executive Committee shall review the offer to determine if the above-stated conditions are satisfied. If the conditions are satisfied, the Executive Committee shall approve, and the President shall sign on behalf of the Governing Board, an agreement modifying the CSP contract with any CSP that accepts the change.