



NATIONAL CONFERENCE of STATE LEGISLATURES

*The Forum for America's Ideas*

September 17, 2007

The Honorable Dwight Cook  
North Dakota Senate  
1408 17<sup>th</sup> Street, SE  
Mandan, North Dakota 58554-4895

The Honorable Joan Wagnon  
Secretary of Revenue  
915 South West Harrison  
Topeka, Kansas 66612

**Donna D. Stone**  
*State Representative  
Delaware  
President, NCSL*

**Sharon A. Crouch Steidel**  
*Director, Information Systems  
Virginia House of Delegates  
Staff Chair, NCSL*

**William T. Pound**  
*Executive Director*

Dear Senator Cook and Secretary Wagnon:

As you are aware, the National Conference of State Legislatures (NCSL) Executive Committee Task Force on State and Local Taxation of Telecommunications and Electronic Commerce (Task Force) met August 4-5, 2007, to review the current status of the streamlined sales tax process in the states and pending amendments before the Streamlined Sales Tax Governing Board that will be considered during the Board's meeting set for September 19<sup>th</sup> and 20<sup>th</sup> in Kansas City, Kansas. This letter will serve to provide you and the members of the Governing Board with the views of the members of the Task Force with regard to these issues.

The Task Force must again reiterate its support for a separate definition for digital goods, independent of the definition for tangible personal property, to be added to the Streamlined Sales and Use Tax Agreement Library of Definitions. We believe that the decision to tax or not tax any item should be decided by each state's elected policymakers and not through departmental or administrative interpretation. We would urge the Governing Board to immediately caution state tax department officials from interpreting or extending definitions to include other items as such actions violate the intent of the Streamlined Sales and Use Tax Agreement.

We would respectfully remind you that your deliberations and actions will be closely watched by those seeking to stall any congressional consideration of the federal Sales Tax Fairness and Simplification Act (S. 34 / H.R. 3396). We would urge you in your deliberations to always keep as your goal a more simplified sales and use tax collection system, that has been the hallmark of the streamlined process.

On behalf of the members of the NCSL Task Force, we express to you our appreciation for taking on the responsibility of building the foundation for a viable streamlined sales tax system. We thank you for taking the concerns of state legislators under consideration and welcome the opportunity to discuss them further with you.

Sincerely,

Representative Christopher Rants, Iowa  
Co-Chairs, NCSL Executive Committee Task Force on State and Local Taxation

Delegate Shelia Hixson, Maryland  
of Telecommunications & Electronic Commerce

cc: Delegates and Advisors - Streamlined Sales Tax Governing Board