

THE BUSINESS CORRESPONDENCE COALITION

March 24, 2008

Hon. Joan Wagnon
President
Streamlined Sales Tax Governing Board
4205 Hillsboro Pike, Ste 305
Nashville, TN 37215

**Re: Sourcing of Business Correspondence Direct Mail
AM07034A01**

Dear President Wagnon:

The Business Correspondence Coalition (the “Coalition) supports destination based sourcing under Section 310.A of the Streamlined Sales and Use Tax Agreement for business correspondence direct mail. The members of the Coalition believe that proposed amendment AM07034A01 is a reasonable means of ensuring appropriate sourcing for business correspondence direct mail. This amendment would confine the direct mail sourcing rules of Section 313 of the Agreement to “advertising and promotional direct mail.”

The Business Correspondence Coalition is comprised of companies that are members of the Business Advisory Council who both buy and sell business correspondence direct mail.

The Coalition supports AM07034A01 for the following reasons:

- **Section 313 Was Never Intended To Apply To Business Correspondence:** At the time Section 313 was adopted, it was intended to apply only to advertising and promotional direct mail. We have been unable to uncover any historical documents indicating an intent to apply Section 313 to business correspondence direct mail. The amendment would conform Section 313 to its originally intended scope.
- **Section 310.A Is The Appropriate Sourcing Rule For Business Correspondence Direct Mail:** The sourcing under Section 313 requires sourcing of sales of direct mail either to the jurisdictions of delivery of each individual piece of direct mail or to the origin. Such a one-size-fits- all rule is inappropriate for business correspondence direct mail which many times involves the sale of significant data processing services for which origin sourcing is particularly ill suited. Sourcing under the hierarchy of Section 310.A provides flexibility to source sales of business correspondence direct mail to the appropriate jurisdiction of destination depending on the facts and circumstances of each transaction.
- **Adoption Of AM07034A01 Would Resolve A Significant Direct Mail Issue:** The Governing Board has a significant number of direct mail issues on its agenda

for the upcoming meeting in Reston, Virginia. This amendment has the endorsement of the State and Local Advisory Council direct mail work group and enjoys significant support by members of the Business Advisory Council. Sourcing rules for business correspondence separate from advertising and promotional direct mail is the number one item on the Road Map for Direct Mail Industry Issues adopted by the BAC.

For the reasons set forth above, the Business Correspondence Coalition urges that the Governing Board adopt AM07034A01 at its upcoming meeting in Reston, Virginia. I can be reached at (202) 331-9533 or mnebergall@softwarefinance.org.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark E. Nebergall', written in a cursive style.

Mark E. Nebergall
Spokesperson
Business Correspondence Coalition

Cc: Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board