



The Printing Industry of the Carolinas, Inc.

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March 26, 2008

Mr. Scott Peterson  
Executive Director  
Streamlined Sales Tax Governing Board

*VIA ELECTRONIC EMAIL*

Dear Mr. Peterson:

The Printing Industry of the Carolinas (PICA) represents the printing and graphic arts industry in North and South Carolina. Thank you for the opportunity to submit this public comment in support of AM07035, AM07035A01, and AM07035A02 and in opposition to AM07034A01, RP0716A01, RP07017 and AM07033 as noticed.

The purpose of this letter is to indicate that unlike many states, North Carolina has been on both sides of the fence. When SSTA legislation was initially adopted in North Carolina, all delivery charges were taxable. When the legislature learned that “delivery charges” could be interpreted to include postage on mail, it subsequently adopted the direct mail delivery charge exclusion. There was taxpayer uncertainty as to how the “delivery charge” definition would be interpreted in North Carolina during the years prior to adoption of the exclusion. Fortunately, the Secretary of Revenue has been very responsive to our concerns and ensured that mailing agency was uniformly recognized at all levels within the Department. Through the leadership exhibited by the Department of Revenue, we avoided non-uniform tax treatment within the state and we also eliminated the taxpayer uncertainty as to legislative intent with regard to the “delivery charge” definition.

I realize that such a resolution may not be feasible or justifiable in every state. I also realize that the SSTA needs to achieve uniformity in interpretation of a basic administrative definition. AM07035 provides a way for the Board to resolve the issue prospectively. It allows each state to interpret the current “delivery charge” definition in a manner which either reflects that state’s understanding of its legislative intent or allows the state to embrace a resolution consistent with its historical administrative tax policy and agency law. We do believe that uniformity is necessary if Federal legislation is to become a reality. We are not there yet but the “reverse toggle” provides a way.

My association represents printers in an SSTA and a non-SSTA state; there is taxpayer uncertainty in North Carolina while South Carolina taxpayers are conducting business as usual. Please invest in our industry by allowing a bit more time to reach consensus.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Stoudt". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jeff Stoudt  
Executive Director

Cc: E. Norris Tolson, North Carolina Secretary of Revenue  
NC State Senator Austin M. Allran  
Mr. Andy Sabol, North Carolina Department of Revenue