



Printing Industries of Michigan, Inc.

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Nick Wagner
President

March 27, 2008

Mr. Scott Peterson
Streamlined Sales Tax Governing Board
Via electronic mail to scott.peterson@SSTGB.org

Dear Mr. Peterson,

Printing Industries of Michigan represents the printing and graphic arts industry in the state of Michigan and has approximately 225 member firms employing nearly 14000 Michigan residents. Thank you for the opportunity to submit this public comment. We support AM07035, AM07035A01, and AM07035A02 and oppose AM07034A01, RP0716A01, RP07017 and AM07033 as noticed. We support AM07008 in concept but only with the understanding that it is phase I of a simplification option and that a phase II simplification option will be drafted as a companion to AM07008 to simplify direct mail for interstate commerce. If the Board will direct West Virginia and Washington to propose a companion phase II amendment in 2008, we will support an immediate adoption of AM07008 as may be revised during the Reston meeting to reach general consensus.

While we think additional time is needed to reach a consensus on direct mail sourcing and definitional issues, the current delivery charge definition is ambiguous and we hope that it will be resolved and amended during the Reston meeting. The delivery charge issue was effectively resolved in the state of Michigan through a joint effort of the legislature, industry and Department of Treasury. It was a time consuming and expensive process which I hope can be avoided in other states through enactment of the BAC "reverse toggle" amendment.

The state of Michigan initially taxed all delivery charges when it adopted SSTA legislation. When the printing industry and the legislature learned that "delivery charges" could be interpreted to include postage on mail, we began working with Mr. Dale Vettel with the Michigan Department of Treasury on a resolution. Under Mr. Vettel's guidance, and with the understanding that this issue had

not been addressed by the Governing Board and would likely not be resolved in the near future, it seemed most appropriate at that time to enact the direct mail delivery charge exclusion retroactive to the original date of SSTA legislation. The retroactive legislation was passed unanimously.

While this resolution was effective in Michigan, it was very time consuming and was a distraction to the legislature in having to go back and change legislation to prevent an unintended consequence. We do not perceive state-by-state retroactive legislation as a viable alternative.

I support the “reverse toggle” as a way to prospectively achieve uniformity in the interpretation of an administrative definition without hampering any state’s ability to resolve ambiguity under the current delivery charge definition in a way which supports legislative intent and also allows states to recognize agency law and reflect historic tax policy administration. Future uniformity is needed if there is to be future Federal legislation.

It is my hope that both the Governing Board and the Michigan delegates will vote in support of the reverse toggle.

Sincerely,
PRINTING INDUSTRIES OF MICHIGAN

A handwritten signature in cursive script that reads "Nick Wagner".

Nick Wagner
President

Cc: Mr. Dale Vettel, Michigan Department of Treasury
Representative Glen Steil, Jr.