

**Minutes of Streamlined Sales Tax Implementing States**  
**August 28, 2006**  
**Bismarck, North Dakota**

The fifteenth meeting of the Implementing States was held on August 28, 2006 in Bismarck. This was followed by a meeting of the Streamlined Sales Tax Executive Committee and Governing Board. Votes reported in these minutes were by unanimous voice vote unless otherwise indicated. Positions taken by the Implementing States are advisory to the Streamlined Sales Tax Governing Board. The following state delegates participated in the meeting.

**Alabama**

Dan Bass, Department of Revenue  
Sonny Brasfield, County Commissions of Alabama

**Arizona**

Christie Comanita, Department of Revenue  
Miguel Teposte, Department of Revenue

**Arkansas**

Tom Atchley, Department of Finance and Administration  
Mary Cameron, Department of Finance and Administration

**District of Columbia**

Stephen Kranz, Council on State Taxation

**Indiana**

Senator Luke Kenley  
Joseph Van Devender, Department of Revenue

**Iowa**

David Casey, Department of Revenue  
Stacey Johnson, Iowa Taxpayers Association  
Kristi Magill, RSM McGladrey, Inc.

**Kansas**

Secretary Joan Wagnon, Department of Revenue  
Richard Cram, Department of Revenue

**Kentucky**

Robert Cox, Office of State Budget Director  
Richard Dobson, Department of Revenue

**Massachusetts**

Ted Lauper, Department of Revenue

**Michigan**

Michael Eschelbach, Department of Treasury  
Dale Vettel, Department of Treasury

**Minnesota**

Judy Niccum, Department of Revenue  
Don Trimble, Department of Revenue  
Cathy Wicks, Department of Revenue  
Larry Wilkie, Department of Revenue

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**Mississippi**

Meg Bartlett, State Tax Commission

**Nebraska**

Commissioner Mary Jane Egr Edson, Department of Revenue

Tom Gillaspie, Department of Revenue

Ellen Thompson, Department of Revenue

**New Jersey**

Craig Rook, Division of Taxation

**North Carolina**

Anna Mitchell, Department of Revenue

Andy Sabol, Department of Revenue

**North Dakota**

Senator Dwight Cook

Senator Herb Urlacher

Representative David Drovdal

Representative Dave Weiler

Myles Vosberg, Office of State Tax Commissioner

**Ohio**

Senator Ron Amstutz

Fred Nicely, Department of Taxation

William Riesenberger, Department of Taxation

**Oklahoma**

Jerry Johnson, Vice Chairman, Oklahoma Tax Commission

Thomas Kemp, Jr., Chairman, Oklahoma Tax Commission

Tony Mastin, Oklahoma Tax Commission

**Rhode Island**

Peter McVay, Tax Division

John Nugent, Tax Division

**South Dakota**

Representative H. Paul Dennert

Representative Orville Smidt

Secretary Gary Viken, Department of Revenue and Regulation

**Tennessee**

Commissioner Loren Chumley, Department of Revenue

Connie Hardin, General Assembly

**Utah**

Representative Wayne Harper

Commissioner R. Bruce Johnson, State Tax Commission

**Virginia**

Mark Haskins, Department of Taxation

**West Virginia**

Delegate John Doyle

Tonja Oakes, Department of Tax and Revenue

**Washington**

Russ Brubaker, Department of Revenue

Cindi Holmstrom, Director, Department of Revenue

Greg Potegal, Department of Revenue

**Wisconsin**

Vicki Gibbons, Department of Revenue

Diane Hardt, Department of Revenue

**Wyoming**

Daniel Noble, Department of Revenue

**Welcome and Introductions**

Commissioner Bruce Johnson opened the meeting at 1:00 pm and welcomed delegates and other participants to the meeting. Following comments on arrangements for the meetings during the week, Mr. Johnson explained that his Co-chair, Delegate Sheila Hixson of Maryland, has a primary race and could not be at the meeting.

**Approval of Minutes**

Approval of minutes from the April 17, 2006 meeting of the Implementing States were approved with a correction to the date.

**Proposed Amendment to Section 703 of the SSUTA**

Loren Chumley explained the amendment that provides that former Implementing States may serve as “advisor states” on the Governing Board in an ex officio capacity. This was followed by a discussion of the role of local government representatives in advisor state delegations. In response to an earlier question regarding the role of advisor states in the Compliance Review and Interpretations Committee (CRIC), Loren Chumley explained that advisor state delegates could participate in the work, but could not vote on final proposals in the CRIC.

Sonny Brasfield proposed a revision to Section D.2 that would allow the Advisor State delegation to be a carryover of the Implementing States delegation and that would allow the delegation of an Advisor States to consist of up to four representatives who are members of state or local government. This was seconded by Steve Kranz and passed on a vote of 20 “Yes” to 6 “No.”

A motion to remove language on the CRIC at the end of Section D. was made by Virginia. This failed on a vote of 7 “Yes” to 20 “No.”

A motion to recommend the original amendment to the Governing Board, with the Brasfield amendment to Section D.2., then passed on a vote of 24 “Yes” to 3 “NO.”

### **Proposed Amendment Regarding Interpretations of the SSUTA**

Loren Chumley explained the amendment, which clarifies that procedural rules require a one-half vote and interpretive rules that rise to the level of an interpretation of the SSUTA require a three-quarters vote. Ms. Chumley moved and Wisconsin seconded acceptance of the amendment. Mary Cameron of Arkansas proposed an addition to paragraph 2 (“issue interpretive opinions” prior to “promulgate” on line 3) under the section 806 portion of the proposed amendment. This was seconded by Kansas and passed. The motion to recommend the revised amendment to the Governing Board was then passed.

### **Definition of Durable Medical Equipment**

Loren Chumley explained the proposal from the SLAC that allows a state to carve out items from the durable medical equipment definition. The version of the definition in the handout (a revision of the version in the meeting notebook) was moved by Tennessee and seconded by West Virginia and passed. The amendment will be recommended to the Governing Board. A correction was noted on page 2—for the spelling of “enteral.”

### **Proposed Amendment Relating to Relief from Liability for Purchasers**

Bruce Johnson explained that the effect of the amendment is to relieve purchasers from penalties when they have relied on information provided by a state. The state may go further than this—and provide relief from interest and tax. Diane Hardt referred to the handout, Purchaser Use Tax Issues, and noted that Option 2 from the handout was preferred. This option provides for penalty relief and the option of more favorable relief by each state. Tennessee moved and Wisconsin seconded that this be the recommendation to the Governing Board. Steve Kranz cited the support from NCSL for broader relief, which is contained in the Utah amendment language. He moved the Utah version as a substitute motion, but there was no second. This was followed by several comments from business representatives that the provision of incorrect information by a state should not impose a burden on taxpayers. The motion on the Tennessee amendment was passed on a vote of 25 “Yes” to 1 “No” (District of Columbia).

### **Proposed Amendment Relating to the Definition of Telecommunications Services and Digital Products**

Jerry Johnson reviewed the proposed definitions and the ways in which states would comply with the proposed amendment. Terry Ryan of Apple added that he hoped that these definitions could be passed by December and that the progress could be made on the tangible personal property definition at this meeting. Following comments from Mr. Ryan on the SSTP recommendation that there be separate statutory provisions to tax digital products, Diane Hardt recalled that when the TPP definition was adopted, that it was expected the a digital products definition would be “right around the corner.”

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Steve Kranz moved and Utah seconded the recommendation of the TPP definition (Utah version) to the Governing Board for adoption. The motion failed on a vote of 19 “No” to 7 “Yes.” Bruce Johnson noted that several of the “Yes” votes came from Governing Board states.

**Proposed Amendment Relating to Multiple Points of Use**

Following discussion of proposed amendments to Section 312 from Utah and the Business Advisory Council, Steve Kranz moved and Kansas seconded an endorsement of the BAC version. This failed on a vote of 23 “No” to 3 “Yes.” Loren Chumley then moved and Tennessee seconded that this be referred to the SLAC. This was passed.

**Closing**

Bruce Johnson reminded the delegates that this is the last meeting of the Implementing States and thanked everyone for their support and involvement. The meeting was adjourned at 4:45 pm.

Respectfully submitted

Kenneth R. Beier  
Multistate Tax Commission