

**Minutes
Streamlined Sales Tax Governing Board
February 26, 2009**

Call to order:

President John Doyle called the meeting to order at 5:00 pm. All states were represented except Ohio.

Approval of minutes from December 2008 meeting:

Senator Luke Kenley moved to accept the minutes from the December 2008 meeting and the motion passed on a voice vote.

The second vote on the Utah amendment relating to essential clothing:

Representative Mark Falzone thanked the delegates from Utah for sponsoring this amendment. He stated that SST legislation had been introduced in Massachusetts and was scheduled for an early hearing. He asked for the Governing Board's support in this change.

Debate among Governing Board members:

President Doyle said that he had had discussions with Connecticut who also had this issue and was told that they are very interested in joining the Governing Board. Secretary Virgil Helton said that after considerable thought he was opposed to the amendment because he is concerned granting this exception will lead to more and he wondered where it stops. Commissioner Jerry Johnson said Oklahoma supports the amendment because they feel it will be better for the Board in the long run. In response to a question from Mr. Richard Dobson, President Doyle stated that this is Connecticut's biggest change to make.

Position statements from members of the public:

Mr. Frank Julian explained that Macy's is opposed to this amendment. He said that after federal legislation passes this will not be a Massachusetts issue as it will impose a burden on businesses all over the country who are required to collect in Massachusetts. He said that he agreed with Secretary Helton that if we keep making 'carve-outs' we are going to end up where we were in the beginning having made no progress. Ms. Maureen Riehl said that we have had a hiccup in introduction because businesses feel like the federal bill is being held hostage to make special exceptions for a single state. Mr. Wayne Zakrzewski said that JC Penney doesn't necessarily disagree with Mr. Julian but said this is the time to move forward. He said the Board needs to do whatever it takes to move forward. He said they will support this amendment if it moves things forward. Mr. Sean Nicholson from Target echoed what Mr. Zakrzewski said, saying that it is important at this time to move forward and it's important to try and get these states to the table. Mr.

Fred Nicely stated that COST supports SST and federal legislation but does not support this amendment. He said COST understands the monetary loss for Massachusetts but wonders if they are committed to adopting all the provisions.

Questions from Governing Board members of the public:

Senator Luke Kenley said that Mr. Julian raised a very good point about the impact on businesses outside Massachusetts, but felt that the Board has been very stingy about doing carve-outs. He said that if we can move forward on getting federal legislation passed then people are going to want to be part of this. He cautioned everyone that we do not want to go down the path of turning the federal legislation into a bidding war.

Final debate and closing arguments among Governing Board members:

Commissioner Jerry Johnson said he agreed with Mr. Zakrzewski and that we need to move forward even if that means making some exceptions. Mr. Brubaker said that he was reluctant to pass this amendment but he believes there is a hump we need to get over. He also stated that he is reminded of the help the Governing Board gave Washington with their printers and believes that this amendment deserves support today. Representative Rodney Anderson asked if this would be much more of a problem for the certified service providers and if the service providers can do this, then it shouldn't be a problem. Senator Dwight Cook asked Representative Falzone to what degree Massachusetts provided compensation based on burden. Representative Falzone stated that Massachusetts did not pay compensation but if they become members, they will. He further explained that Massachusetts has no local taxes and imposes less of a burden today than many states.

The motion to approve the Utah amendment on essential clothing was approved on a roll call vote with 18 states voting yes and West Virginia voting no.

New Business:

Secretary Joan Wagon informed the Board of the Advocacy Committee that has been put together to help get federal legislation passed. She stated that she wants one member from each state to serve on the committee and a few states are not represented. She asked those states to send her a name.

Senator Kenley moved to adjourn the meeting at 5:45 pm and the motion passed on a voice vote.