

**MEETING OF THE  
STREAMLINED SALES TAX GOVERNING BOARD**

**August 17, 2010**

**(conducted by teleconference)**

**Welcome and Roll Call of Member States:**

President Jerry Johnson called the meeting to order at 9:30 AM. All member states were present except Utah, Vermont and Wyoming.

**Approval of minutes from April 30, 2010 meeting – MM09005:**

President Johnson deferred action on the minutes until the October meeting.

**Referral of Introduced Proposals to Committees/Councils for Study:**

President Johnson asked for unanimous consent to add the Healthy Food amendment AM10005 to the agenda. There was no objection. Delegate John Doyle asked unanimous consent to withdraw AM10005 from the State and Local Advisory Council. There was no objection. Delegate Doyle asked unanimous consent from the Governing Board to withdraw AM10005. There was no objection.

**Reports of committees:**

•**Finance Committee**

- **FY2010 Third Quarter Financial Report – FR10002**

Mr. Richard Dobson explained the third quarter report and moved that it be accepted. That motion was approved on a voice vote.

•**Compliance Review and Interpretations Committee (CRIC)**

- **Interpretative Opinion – IO10004**

Mr. Myles Vosberg reported that in the 2009 recertification process CRIC found that a few states viewed one-way paging from two-way paging when the Agreement defined only paging. He said CRIC asked SLAC for a recommendation. He said SLAC recommended and CRIC was proposing an interpretative opinion stating that states must treat one-way and two-way paging alike as there is only one definition. Mr. Vosberg moved to accept the interpretative opinion. That motion was approved on roll call vote with eighteen full member states voting yes and Vermont and Wyoming absent.

**Proposed Amendments to SSUTA for Discussion and Possible Action:**

MM10003  
8/17/10

### •Vendor compensation – AM09003A08

President Johnson the work that has continued on the compensation amendment during the last several months. He explained the following amendments to the proposal last debated by the Governing Board:

1. The requirement for 1% compensation from states with local jurisdictions was changed to .75%.
2. The requirement for .75% compensation from states without local jurisdictions was changed to .5%.
3. The option of lowering compensation when more states joined was eliminated.
4. The requirement on states with second rates to pay additional compensation was changed to have the Governing Board set the amount.
5. States would pay a higher rate to all new remote sellers for 6 months after the seller starts collecting.
6. The small seller exception would be set by the Governing Board on an annual basis.

President Johnson said this would be the first of two votes and the second vote will be taken at the annual meeting in October. He also said this proposal had the support from NCSL and NGA.

Secretary Joan Wagon stated that this comprehensive amendment also includes the policies providing for the small seller exception. She said that each of these provisions have been thoroughly discussed and are a practical solution.

In response to a question from Mr. Tom Gillaspie, President Johnson said that the additional compensation to new remote sellers would apply to both small and large remote sellers. President Johnson said that the states would be able to apply caps on the amount given to large remote sellers. Mr. Gillaspie said they would appreciate help trying to calculate the impact. In response to a question from Mr. Bill Riesenberger, President Johnson said he was unsure if any state information technology staff had looked at the compensation changes, but felt that states would be able to process returns with this compensation model.

Mr. Fred Nicely, representing the Council on State Taxation (COST), thanked everyone for their hard work drafting the amendment, but stated that COST does not agree with the results. He said COST's support for Streamline includes a requirement that states pay reasonable compensation. He said that COST does not believe that the compensation provided in this amendment is reasonable. In addition, Mr. Nicely said the methodology was unnecessarily complicated. President Johnson replied that it was his intent that the rules to fill in the administrative gaps will be developed in time for the October Governing Board meeting.

Mr. Emmett O'Keefe said it was correct of the Governing Board to recognize the need for certainty in the amount of compensation. He said it was discouraging that there was still uncertainty around the small seller exception. President Johnson said the Governing Board understood the need for a conclusion as quickly as possible and that it be done before federal legislation is enacted.

President Johnson reminded everyone that the amendment would require votes at two Governing Board meetings. He said it was his hope to have the first vote at this meeting and the second at the October 2010 meeting. President Johnson moved adoption of AM09003A08. That motion was approved on a roll call vote with 16 full member states voting yes, Iowa and Wisconsin abstaining, and Vermont and Wyoming absent.

**Old Business:**

Mr. Scott Peterson reminded the group of the annual meeting in October in Indianapolis. He said asked everyone to make the hotel reservations. He also said that this is the meeting that we will be paying for one legislator per state to attend.

**Adjournment:**

There being no further business, President Johnson adjourned the meeting at 10:05 AM.