Welcome and roll call of member states
President Diane Hardt called the Governing Board Meeting to order at 1:02 PM Mountain. The roll of the states was called. Initially 21-full member states and one associate member state were present. The last two states joined shortly after the roll was called and all member states were present.

Opening Remarks
Senator Deb Peters of South Dakota welcomed the attendees to Rapid City. She displayed a slide show of the Sunday, October 5 tour of South Dakota.

Federal Legislation and Continued Efforts With Other Organizations – Randi Reid
Randi Reid (DC) of Kountoupes Denham reported that she has been working on eFairness for many years and there are new players on the team. Kountoupes Denham has been working over the past year to get the Marketplace Fairness Act (MFA) passed in the House of Representatives. The Senate passed the Senate MFA version in May 2013. At that time the Senate looked at all the external stakeholders. She reported that they have also been working with House Judiciary Chairman Bob Goodlatte who has been talking to all external stakeholders and came out with a concept of hybrid origin sourcing. The Governing Board has been meeting with Chair Goodlatte’s staff to discuss hybrid origin sourcing and destination sourcing.

Congressman Jason Chaffetz (UT) has been working with external stakeholders to develop a bill from the House side that addresses concerns raised with the Senate passed language. Some of the areas Congressman Chaffetz has been working on include modifying the small seller exception, audits and to better explain the software integration requirements. Chaffetz and staff have taken note of the issues that were raised and have been spending a lot of time on those issues. The Governing Board has also spent a lot of time with Chaffetz’ office, along with Craig Johnson and others associated with the Governing Board. She said they have had a seat at the table and been able to provide valuable input. Neither, Chair Goodlatte nor Congressman Chaffetz have introduced a bill at this time. She said they have gotten further confirmation from Chair Goodlatte and Chaffetz’ staff that they are both working on something and continue to solicit comments from the Governing Board and others. She said they will continue to work with Congress going forward to try to find common ground.

Max Behlke of NCSL had mentioned the Internet Tax Freedom Act (ITFA). There is a bill in the Senate that addresses both ITFA and the MFA and that continues to work its way through Congress. While the House has not acted on eFairness Legislation, it is important to know that they have worked to pass ITFA in July with a grandfather clause. The current extension is in effect until December 11, 2014. In years past, the ITFA and MFA were coupled in one bill. The eFairness supporters on the Hill strongly believe the ITFA and MFA should be coupled together.

Ms. Reid said although the Senate had taken action in May 2013, they continue to work with all stakeholders to try to get the MFA into law. There are also conversations happening between the House and Senate staff that are working on this legislation, as well as ITFA. The House has passed legislation relating to ITFA but is not happy with MFA. At the same time the Senate has passed MFA but is not happy with the House-passed ITFA. Senator Wyden tried to pass ITFA previously and put it on hold until December 2014. Some Senators are adamantly opposed to
it. At the same time, the Senate sponsors that this group has worked with for a number of years, said they have to do something to get MFA done this year. They have introduced a new bill called the Marketplace and Internet Tax Fairness Act (MITFA). This is essentially the Senate passed Bill 743 with a 10-year ITFA moratorium that includes the 7-grandfathered states. Several Senators objected to that Bill moving forward and it has been tabled for now.

Here is where we see things going in November and December. The ITFA was included in the FY2015 continued Resolution Continuations Bill which expires on December 11. One of the main bills that will be considered during the lame-duck session will be the Appropriations Bill. It could be part of an Omnibus Bill. This is good for the MFA because it gives our supporters more time for strategy. There are many who say it will not pass this year. Randi Reid reported that she had worked in the Senate for 7-years and in the House for 2-years. She said this body can help get to where we want to go in getting eFairness Legislation this year by talking to their Representatives, particularly Republicans in the House.

In May after the Governing Board Meeting, Craig Johnson and Senator Deb Peters visited DC. They had a series of meetings with Representatives of the House and Senate. In June, Craig, Senator Peters and President Hardt came back to DC and took a more concentrated approach to focus on House Republicans and Democrats, particularly on the House Judiciary Committee and continued forward with our education. In September, Craig Johnson and Senator Wayne Harper visited DC and did a more concentrated approach focusing on rank and file Republicans and those representing Governing Board member states. Randi Reid said we are not going to get anywhere unless rank and file starts talking to House leadership and telling them we need to get it passed in 2014. Many were receptive to that message.

The House leadership team changed dramatically in July. House Leader Eric Cantor lost the primary in July and Kevin McCarthy is now the House leader. The eFairness Coalition has spent a lot of time focusing on House Republicans and the Governing Board’s continued participation will be very critical in reaching out to additional members in the next few weeks. Randi suggested making phone calls to the Congressional staffs in both the Senate and House asking them to contact leadership to request that this gets finished this year. Ms. Reid said if anyone has feedback, she is on the ground in DC and can follow-up. The Governing Board is visiting DC in November and probably in December. NCSL is planning a lobbying date the week of November 17-20, in an effort to get a large group of Legislators to visit along with Governing Board and members of the retail community.

Congressmen Chaffetz’ staff, the Governing Board, NGA and NCSL are all working together and will continue to do so on the House side. Frank Julian asked with the short period of time that we have, is there time for a Chaffetz and Goodlatte bill to get passed and if the Senate is going to flip, how that might affect the dynamics. In response, Ms. Reid said the timing continues to be unclear. The Senate and House staff and their bosses are still working on strategy and the next steps are unknown at this time. They are having a lot of discussions internally to plan their strategies as to how to make that happen in November/December. The Defense Authorization Bill is considered a “must pass” in December as well as tax extenders. The short answer remains to be seen on strategy going into December and Senate flipping strategy remains to be seen as well. Going into the election period, Senator Reid said when they get back in November/December they are going to be doing the MFA. Within 24-hours Senator Wyden said they will not be doing the MFA and will be doing the ITFA. In navigating the path forward, currently Hill staff and their bosses are not letting on as to how that will happen.
Craig Johnson said between the Federal Lobbying of Randi Reid, Steve Clark and his staff, they are keeping the Governing Board moving with meetings and are doing a fantastic job. He reported that Randi Reid has shared a lot of information and provides the Governing Board with direction on how to best move forward. She has been very instrumental on the ground in DC while coordinating with the NCSL and NGA and various other partners.

- **Approval of May 14-15, 2014 Governing Board Meeting Minutes – MM14001**
  Diane Hardt asked the Governing Board if there were any recommended changes to the May 2014 Governing Board Meeting minutes and there were no comments. David Drovdal motioned the approval of the May 14-15, 2014 Governing Board Meeting minutes and they were adopted on a voice vote.

- **Reports of Committees**
  - **2014 Goals – President Diane Hardt**
    President Hardt reported that annually each January a group of the Executive Committee and Governing Board members look at what they will be doing for the next year. In 2014 the goals were particularly focused on the Federal bill and the areas we should be leading, monitoring and participating in. She reported that Senator Wayne Harper, Senator Deb Peters, Craig and herself will be in DC in November. She invited other members of the Governing Board to join them. She said they have focused on and improved their relationships with NGA, NCSL and others in the MFA. They have also worked on the Governing Board business. President Hardt said they are pleased with how the Central Registration System is going. At the last meeting they started developing a plan for providing services to non-SSUTA states which is on the agenda. Senator Peters has had a lot of communications with other state Legislators and we are trying to keep new Legislators educated as much as possible. The big picture issues and education, such as those dealing with post sales transaction issues, best practices, and audit training will be provided in updates later on. Also a second vote will be taken on the prepared food amendment today. She said that is the status of the strategic plan for 2014 and we will continue to try to complete as many of those as possible this year, including getting the Federal Legislation passed.

- **Executive Committee – President Diane Hardt**
  - **CSP Contracts Review – MC14010 and MC14011**
    President Hardt reported that Craig Johnson has done an excellent job the past 2-weeks in updating everyone as to where we are on the CSP contract. Craig Johnson summarized the changes that have been made to the contract. He reported that all the CSP’s have participated in the contract meetings. He expressed his appreciation to Eric Wayne, David Thompson, Michael Eschelbach and Diane Hardt for their efforts and hard work on the contract. He said they have a very good product in place. The new contract, if approved by the Governing Board will go into effect on January 1, 2015. In addition, once federal legislation is passed, the contract will be renegotiated at that time as well. The contract group has just started the preliminary work on that so that they can be as prepared as possible for federal legislation.

Craig reported that most of the member states were able to attend one of the recent webinar discussions. He had emailed the revised contracts and discussed the contract changes with them. Craig provided a summary of the proposed contract changes. They were:

- References were added for the Governing Board rules and SSUTA where possible.
- The major areas of change in Section B.1 were reviewed. The contract now lays out the 6 main areas that make up the CSP services. Each of those areas were explained. One key area relates to security of the information provided and that was stressed.
• Previously, North Carolina had separate contracts with the CSPs and now believe they can join the other member states in the one contract so information relating to the separate contract has been removed.
• The new contract terms are from January 1, 2015 through December 31, 2017.
• In Section C, it is made clear that the CSP has liability for the transactions they process until the individual state’s statute of limitations tolls on these transactions.
• The term extension allows the contract to be renewed for up to 2 additional 3-year periods.
• With respect to the Vendor Compensation in Section D, the calculations and rates have not changed from the prior contract.
• The definition of volunteer seller also was not changed.
• In Section D.10 related to losing volunteer status, it was explained during the Executive Committee Meeting discussions earlier that there was a conflict between Sections (a) and (b) and that language was changed to address this issue.
• In Section D.10(c), it was made clear that if there is a question as to whether a particular seller is or is not a volunteer that during the period of time when the state and CSP are working this out that the CSP will still be entitled to the compensation. If it is determined that the seller is not a volunteer the CSP would be notified and would then no longer be entitled to the compensation.
• Section E.1. was redrafted to try to make it clear that if the taxes are not paid by the due date, the CSP would not be entitled to the compensation. Language was also added to make it clear that if the taxes or return are not timely submitted when due because of an error by the state, the CSP would still be entitled to compensation in those situations.
• Section E.3. relates to erroneous data provided by the states and the time period for the CSPs to fix it in their systems. He said they found there are a number of states that have adopted specific provisions that provide the CSP 10-days to correct these types of errors, but reminded everyone that there is not anything in the Agreement or contract that prohibits a state from providing liability relief on more favorable terms. If you are looking for potential changes/improvements to your laws, this might be an area to consider. Through the discussions with the CSPs, it seems to be very reasonable to allow CSPs until the first day of a calendar month that is at least 10-days after being notified by a state that a change is needed to make the necessary change to their system. The CSPs update their systems on a monthly basis and can do “hot fixes” which are costly. If they have at least a 10-day notice before the end of the calendar month they can get it fixed by the first day of the next calendar month. Since this would require a law change by several states, this cannot be changed at this time in the contract. However, language was added to make it clear that states can give the CSPs more than the 10-days that are currently provided in the contract. Similar language was also provided in Section E.4.
• Section E.4. relates to liability relief related to the states certifying the CSP systems. Provisions were added in paragraph (d) to address how long the states have to respond to the CSPs request for additional product category certifications. The concern by the CSPs is that until all of the member states approve the new product categories, they cannot deploy the changes in their system. Based on this, a change is being recommended to the CSP contract to allow states until the first day of the calendar month that is at least 30 days after the CSP requests the new product category certifications to respond to the CSP. If the state cannot get to it within 30 days, they need to contact the Executive Director to get an additional 30 days. Language was also added to make it clear that if the state is not provided with adequate information to make a determination and requests additional information, the 30-day time period does not
start until the additional information is provided. If the state does not complete the
certifications within the timeframe provided, paragraph (d) states the CSP can use the
product categories and taxability rules they provided and the state must provide the
liability relief until the first day of the calendar month after the CSP is notified of the
required changed noted in E.3. Mr. Johnson said that is to try to encourage the states to
provide the information to the CSPs in a timely manner. Finally, paragraph (e) was
added to make it clear the “product categories” does not include individual products.

- Section E.5. is a new section that was added that relates to sellers that have gone
bankrupt. This section provides for liability relief in certain situations to the extent
determined by each state. The “determined” language was added to make it clear that it
is up to each state as to whether or not they provide liability relief in this area. This same
type of language is also included in Sections E.6 and E.7.

- A provision was also added to Sections E.5 and E.7 indicating that each state has full
rights to defend, pay or settle claims relating to these issues as was recommended by
Larry Molnar from Indiana.

- Several other miscellaneous changes were also made in the contract which each state
had received previously.

David Campbell thanked the CSP Contract team for working on this process in advance
before the contract expiration date. President Hardt asked for comments or concerns and
there were none. Senator Dwight Cook made a motion to approve the CSP contract as
discussed. The roll of the states was called and the motion passed with 23-affirmative votes
and 1-state (Vermont) absent.

- Compliance Review and Interpretations Committee (CRIC) – Myles Vosberg, Chair
  - Upcoming State Compliance Reviews
    Chair Vosberg discussed the upcoming state compliance review process. Pam Cook has
    reviewed those and has sent out the reports for discussion. Meetings have been scheduled for
    the first 12-state and the schedule is posted on the SSTGB website. He asked that the states
    be available on those calls. There will be a Governing Board teleconference scheduled in
    December to take action on each state’s compliance based on the CRIC recommendations.
    Craig Johnson commended Chair Vosberg on his continued work as the CRIC Chair and
    thanked the CRIC Committee for their continued work in this area.

    - Expedited Requests–Rule 902.H. – RP14006
      Chair Vosberg referred to proposed Rule 902.H, RP14006 regarding the process for
      Interpretation Requests. Under the current process CRIC needs to determine if an
      interpretation requests is going to be accepted for action by the Committee. If action is
      necessary there is a notice requirement that must be followed. Under the current rule CRIC has
      either allow the normal public notice period of 60-days or the expedited request notice period
      requires a 10-day public comment period. He said the CRIC would like to have a minimum of
      10-days and allow up to 60-days depending on the complexity of the issue. The only change is
      in the last paragraph of the rule where it is indicated that for expedited request the public
      comment period may be as short as 10-days. This way CRIC can allow however much time it
      thinks is needed depending on the complexity of the issue, but in no cases can the public
      comment period be less than 10 days. There were no questions or comments relating to the
      proposed amendment to the rule. David Drovdal made a motion to approve Rule 902.H. The
      roll of the member states was called and the motion passed with 23-affirmative votes.

- State and Local Advisory Council (SLAC) – Tim Jennrich, Chair
  - Disclosed and Best Practices – SL14023, SL14024A01
Chair Jennrich reported that SLAC has been working on disclosed and best practices which was referred by the Governing Board to amend section 335 of the Agreement to consider both disclosed and best practices. The intention is to create a mechanism to promote greater transparency while adding a second possibility of identifying a single practice as a “best” practice to promote further uniformity. SLAC has met twice to review the amendments of Sections 335, 338 and adopting new Governing Board rule 335. SLAC has been very productive in this workgroup to determine a way forward. He said they felt it is not ready for a vote during this Governing Board Meeting. They will ask for direction from the Governing Board regarding liability relief and there are 3-alternatives.

- Section 335 – Best Practices, SL14019 / Section 328 Taxability Matrix, SL14024A01

Chair Jennrich reported that during the Monday SLAC Meeting, the workgroup discussed what the appropriate amount of liability relief may be and what the state laws provide. He reviewed 3-alternatives provided in SL14024A01. Alternative 3 would take into account concerns raised about the ability of states to provide liability relief. He provided the alternatives during the October 6 SLAC Meeting. There was a preference for alternative 3, although there was no vote taken because the workgroup felt they should obtain further direction from the Governing Board. Chair Jennrich asked how the Governing Board would like for them to proceed. President Hardt said we currently have in the Agreement the best practices and liability relief is provided if incorrect information is provided. Mr. Jennrich said as it is currently drafted, alternative 1 would include both disclosed and best practices. The concern raised by some states is that they would need to provide liability relief for disclosed practices and that was an extension of what the laws provide. Collectively the feedback was that some of the states do not feel their laws, rules and policies provide liability relief for best practices.

President Hardt asked for comments from all member states, the BAC and public comments. Richard Dobson said during the Monday SLAC discussions, some state comments indicated that if Section 335 is expanded to include both disclosed and best practices, depending on what comes down the pike in the future, the best practices may deal specifically with purchasers. However, the liability relief is restricted to the sellers. If that’s done, the way that some states have enacted liability relief may require law changes. He felt it would be a good idea to survey the states while continuing to go down this road with refining the best practice process. Jerry Johnson said what is shown as Alternative 1-C is the existing language in the Agreement and Chair Jennrich agreed. Jerry Johnson asked if the best and disclosed practices are covered or not. Mr. Jennrich said the proposed language is to add to disclosed practices so both would be covered. Craig Johnson said the liability relief provision for best practices was moved to Section 328 and made part of the taxability matrix so that states would not have to change their laws, but instead their laws would already provide the liability relief since they would become part of the taxability matrix. Gina Dougherty said during the SLAC discussion held around this issue as they worked through the process of best practices for credit, they saw this as a way to make the existing liability relief provisions work without states having to change their laws. At the time Arkansas adopted that particular statutory section and came into the Agreement in 2008, she said that what was in the Agreement was whether an item was taxable or if it was exempt. Arkansas questioned if this body could expand that liability relief to now apply to disclosed and best practices without states having to go back to their Legislators. Pat Calore said SLAC discussed how we got to where we are today because it was not fully vetted at the time. Best and disclosed practices has illuminated what is in our statutes as far as what liability relief is being provided. The intent of moving to a best or disclosed practice was to allow for continued movement in the group without having to require states to go back to their legislatures as that is a difficult process. States have become mindful where a Legislator has stood up and said it is not for the Tax Administrators to interpret and expand their authority. She said the
states do not want to be deemed to be backsliding but we should take this opportunity to
determine what we are doing here. We do not want to inappropriately have sellers or CSPs
think they have the ability to rely on this information, when perhaps they don't. She said
Legislative bodies are pretty turf oriented and we need to recognize that as a body. She said in
the SLAC Meeting there was discussion that maybe they should spin out the best practice from
328 and if this is such an important issue, maybe it's appropriate. She said SLAC
acknowledges that the amendment may not be perfect and steps should be taken to correct it.
Richard Dobson said there was debate in SLAC as well as to what format that takes. Will there
be enough detail for the states to be able to answer yes or no and are we granting liability relief
or providing a product that provides clarity for all parties? John Doyle said it appeared to him
there is a difference of opinion about what is meant by the term, disclosed practices. Senator
Deb Peters referred to Section 328, Taxability Matrix in document AM14007A01 for clarification.
She said as a Legislator, she does not need to know all the little details and felt this is not
expanding Legislative authority but is clarifying. If the Legislators understand what is going on
here, she would be shocked as many of the Legislators are not into these staff level
discussions. This is a clarification and is not a Legislative authority. This is just a clarification
that the Governing Board sent to the SLAC. Senator Wayne Harper said there has been a lot of
discussion here regarding best practices and recommended practices to give information as to
how administration can work. He said there have always been discussions about having
transitional periods. Phyllis Shambaugh, SLAC Co-Chair said the issue has become very
apparent to her as she has begun work on the post transaction issues workgroup that it would
lend itself to a best practices matrix. As the group gets more complex she understands the
business community wants disclosure and the need for states to be able to say yes or no, this is
what we tax or don’t tax. She said her fear is that if you do not fully read all the fine print, the
states would be in the position of holding the seller harmless when maybe in fact they really
haven’t done the due diligence.

Fred Nicely thanked Chair Tim Jennrich and the SLAC for all their hard work on this. He said
they have made a lot of headway, but they felt they should have an open discussion with the
Governing Board on the liability relief. The sellers and CSPs need guidance from the states on
how they are administering their tax laws. Everyone on the BAC recognizes that the tax law is
all done by the Legislators. Part of that role is providing tax guidance to the public and that is
what we are looking for here as well as guidance to the sellers and CSP’s. Right now the way
this is written with the taxability matrix and in the Agreement, liability relief is provided for best
and disclosed practices. Are there issues with the states and with what was amended with the
Agreement? Fred Nicely indicated that he is doing a survey of the states to really see if there is
an issue with liability relief. He said the best practices we have now is really more disclosures
and the Governing Board will be able to pick what they have in the future for best practices.
Harry Fox said if we have liability relief, he believes the states would have pages and pages of
qualifications. He was unsure of the value at that point as it would be so complex. Jerry
Johnson said he appreciated Mr. Fox’s comment and fully agreed that there are issues that are
so difficult and complex that trying to wrap your hands around it and provide liability relief is
impractical. However, the process works so that decision must be made as a group. This is
something that can be defined to provide an explanation that is meaningful. He said we all want
to provide certainty, but in the issues where we don’t think we can, we should choose how to
address it. President Hardt asked the BAC and SLAC to complete the state survey regarding
where to go from here for discussion at the May 2015 meeting. Tim Jennrich said the direction
that SLAC has is to go forward with surveying the states and continue working on the section
335 provisions. Craig Johnson asked Mr. Jennrich with respect to 335, if there was a sense
from SLAC as far as significant changes. He asked if it was somewhat agreed to or is nothing
agreed to. Tim Jennrich said the SLAC had a very robust discussion, are on the way to getting
the issues resolved and after more discussion with the SLAC, it can be done. The proposed amendment to Section 335 relating to disclosed and best practices, AM14006 was tabled until the May 2015 meeting. Section 328 relating to disclosed and best practices taxability Matrix, AM14007A01 was also tabled until the May meeting.

- Compliance and Sanctions – AM14008 and AM14009
Chair Jennrich said SLAC had a very good discussion yesterday on sanctions and compliance, looking at 805 and 809 of the Agreement. SLAC is working to update the language based on the Monday meeting discussions when the topic was introduced. In AM14008 relating to sanctions and AM14009 relating to Sanctions, section 805B indicates the existing practice that a member is found out-of-compliance on a three-fourths vote. Some thought that the member state that is the subject of the vote should be allowed to vote as well. Before a state becomes a member, it makes sense for them to not vote. After membership, they should be able to vote on that action. Others felt that this was a conflict of interest. He said it may not be a good idea to include that state in the vote. The intention is that this will be ready for a vote at the May meeting.

Senator Balfour said no matter what organization he’s been in people always say that’s the way we’ve always done it and he doesn’t want to hear that. He suggested that a full member state should be able to vote. Senator Dwight Cook referenced section 809 and asked if the Governing Board has ever not acted on a sanction recommended by the Executive Committee. He said he thought they may have had one. He asked what is the motive for changing this section. Tim Jennrich said that his understanding of changing “may” to “shall” is to clarify that the Governing Board will act upon the request of the Executive Committee. In the past it looks like they may or may not have been required to act. President Hardt said the rule states “shall” as well. Senator Harper said we have had a couple of issues over the year where we’ve had “may” in the Agreement and it was changed to “shall” to be consistent. Fred Nicely said we are missing the BAC spokesperson. His comments are toward section B of 805. He explained that he understood where Senator Balfour was coming from, however Mr. Nicely said he respectfully disagreed. The states has the right to argue as to why they are not out-of-compliance but should not vote on their own compliance. It helps keep the integrity of the Governing Board by not allowing a state to vote on whether or not they are in-compliance with the Agreement. He said there was a vote this morning that the BAC strongly feels there should be no change in how the three-fourths vote works. John Doyle made a couple of technical points related to that. Mason’s Rules or Jefferson’s Rules act as a back-up to the body. In most cases your own rules address the questions and only if the rules do not cover it do you go to Mason’s rules. Pat Calore said Senator Balfour raised a good point that in this particular case with compliance, we have a standard reference to substantial compliance. Each state should be able to carry their argument, propose it and vote on that basis. Until the state is found to be out-of-compliance, the state should have the right to vote. She said she could see the state having the right to vote on compliance including itself and then in the sanctioning phase, having that raised because the state was not in compliance with the Agreement. Richard Cram (KS) noted that in the compliance review process, the states are self-admitting as to whether they are in compliance or not. By the time we get to a vote, states would have already turned in their compliance letters indicating that. President Hardt said there has been good discussion and a lot of good suggestions provided. She asked the SLAC to have this ready for the May 2015 Governing Board Meeting. Chair Jennrich said the SLAC would certainly report back on this.

Chair Jennrich thanked the Executive Committee and Governing Board for giving him the opportunity to serve as the SLAC Chair this past year. He also thanked Phyllis Shambaugh for her service as the SLAC Co-Chair. He said we have had a very successful year. SLAC continues to work on proposed amendments and best practices. He reported that the SLAC will also continue to work on the sanctions and compliance amendments which were
just discussed. Hopeful the SLAC will have something for the Governing Board to look at for the May 2015 meeting.

- Template for Referral of Issues to SLAC – SL14020
Chair Jennrich said 2-years ago SLAC Chair Christie Comanita and Ellen Thompson discovered the need for a referral template for the Governing Board to refer issues to SLAC. The SLAC has a challenge determining the scope of exactly what they are to be working on. This would help with the Governing Board referrals in the coming years.

President Hardt thanked Tim Jennrich and Phyllis Shambaugh for all their hard work on the SLAC as Chair and Co-Chair. She approved the SLAC Referral of Issues template, SL14020. Craig Johnson said the template forces people to lay out the detail of what their issue is and what they are looking for. He said the SLAC template will really help going forward and would help him as well in the Executive Director position in prioritizing the issues.

- Certification Committee – Tim Bennett, Chair
- Certified Service Provider (CSP) Recertification
Tim Bennett reported that he first traveled to the new potential CSP, ShipCompliant’s office in April and toured their data center. He said the Certification Committee had worked hard this summer testing their system and reviewing their tax rules. The Committee met in September and had a final vote from all states for approval of Ship Compliant which was reported to the Executive Committee this morning. Richard Dobson made a motion to approve ShipCompliant as a Certified Service Provider (CSP). The roll of the states was called and the motion carried with 24-affirmative votes. Pawel Smolarikiewicz, CTO of ShipCompliant said he really enjoyed working through the testing process with Tim Bennett’s Committee and thanked the Governing Board.

- Report of Omaha Meeting, August 5-6, 2014
Tim Bennett said the various amendments recommended were discussed in Omaha and thanked everyone for their participation in that meeting. The next meeting will be held in St. Paul, MN in March.

- CSP Recertification Update
Chair Bennett reported that the Certification Committee has recommended that five (5) of the CSPs be recertified. Craig Johnson said we need to work with CCH regarding issues which must be rectified going forward and the Executive Committee will revisit this during the December meeting.

Craig Johnson reminded the attendees that the 24-member states represent nearly 4,300 hundred taxing jurisdictions at this time. There are now nearly 2,300 sellers who have voluntarily registered and came forward to collect the appropriate tax in all the member states, regardless of physical presence and overall our CSPs do an outstanding job providing the necessary software and services to our volunteer sellers.

- Proposed Rules for Discussion and Possible Action
- Appendix E - RP14005
Tim Bennett referred to document RP14005 and reported that states are doing test decks with the CSPs. Occasionally when they put the address into the test deck, the CSPs have to cleanse the address before they can get results. The proposal was that additional fields be added to the test results that would let states know what address the CSP actually used when they ran the test deck. This will not be put into place until the start of the third quarter of 2015.
He proposed that the Governing Board accept the amendment effective July 1, 2015 which would be for the third quarter test decks. There were no questions or comments. Richard Dobson made the motion to accept the proposed amendment effective July 1, 2015. The roll of the full member states was called and the motion passed with 23 affirmative votes.

- **Appendix F – RP14004**
  Tim Bennett reported that some of the audit report fields were not long enough. The character lengths are being recommended for expansion of up to 210 characters. Some were at 65 and others were only at 40. He proposed expanding the fields so there would be more room for the CSPs to enter information. Bruce Christensen said we came to an agreement on this and the amendment should be effective immediately. Richard Dobson made a motion to accept the proposed amendment for Appendix F. Craig Johnson said the amendment would not require any programming changes from the state side. Charles Collins said he was not sure that they committed to doing it immediately and felt it should be sooner rather than later. Richard Dobson amended the motion to vote on Appendix F to make those changes no later than October 1, 2015. The roll of the states was called and the motion passed with 23 full member state votes.

- **Final Action on Amendment from Previous Meeting**
  - **Amendment to Definition of Prepared Food – AM14002A02**
    Craig Johnson reported that a second vote must be taken regarding the definition of prepared food, document AM14002A02, food that requires additional cooking. Some states have indicated that they would have to change their law in order to comply. Under the Agreement, this type of amendment requires a second vote and if approved, states would have until the later of the first day of January that is at least 2 years after today’s vote (January 1, 2017) or after one full session of the state’s legislature to comply with the amendment. There were no questions or comments. Victoria Daniels made a motion to approve the prepared food amendment. The roll of the full member states was called and the motion passed with 20-yes votes, 1-no and 2-absent.

- **Election of 2015 Officers and Directors – MC14009**
  President Hardt reported that the Nominating Committee has suggested the candidates of Officers as President Senator Deb Peters (SD); 1st Vice President Richard Dobson (KY); 2nd Vice President Senator Dwight Cook (ND) and Secretary/Treasurer Victoria Daniels (IA). The Director candidates are Representatives Reuven Carlyle (WA) and Brian Kennedy (RI). Jerry Johnson made a motion to elect the entire slate of Officers and Directors. The roll of the member states was called and the motion passed with 24 affirmative votes.

- **Election of 2015 Nominating Committee – MC14008**
  President Hardt said the Nominating Committee’s 1-year term ends in 2015. The slate of candidates are Dan Noble (WY), Rep Reuven Carlyle (WA), Ellen Auger (MN), Harold Fox (NJ), Eric Wayne (NC), Guy Childers (NV), John Doyle (WV), and Sen Wayne Harper (UT). Michael Eschelbach made a motion to elect the entire slate of Nominating Committee members. The roll of the member states was called and the motion passed with 24 affirmative votes.

- **Adjournment**
  With no further business, David Drovdal motioned to adjourn the meeting at 4:29 PM Mountain. President Hardt said the meeting would reconvene on Wednesday, October 8 at 8:30 AM Mountain. Craig Johnson invited the attendees to the evening reception hosted by the incoming 2015 President, Senator Deb Peters (SD).
President Diane Hardt reconvened the Governing Board Meeting at 8:35 AM Mountain. The roll of the states was called and present were 22-states. Tennessee and Vermont were absent.

- **Reports of Committees (continuation)**
  - **Central Registration System Status**
  
  Craig Johnson reported that during the May 2014 Governing Board Meeting, approval was made for President Diane Hardt, Senator Peters and himself to negotiate the contract for Azavar Technologies to build the new central registration system. The initial group who will be working on the review of the new Central Registration System are Jody Bartels (SD), Tim Bennett (KY), Brian West (AR), Elaine Bednarz (NC), Matt Reed (OK), Jim Romano (OK), Ross Mayer (OK), Tonya Oakes (WV), Renee Stella (IN), David Thompson and himself. He said 2-CSPs Heidi Genest from Avalara and Gary Centlivre from FedTax will also be involved with this. Several of the people in this group were also involved in the design of the original Central Registration System. He said the group is currently in the process of identifying schema changes to get out to the states as soon as possible. There will be some changes but they expect it to be pretty minimal at this point. However, the states will have to be involved from the IT side. The group is comparing the schema from the current system in order to determine what is going to change. The schema will have to also be approved by TIGRS. He said as they are developing the new system, we are trying to keep the amount of confidential taxpayer information to a minimum. They do not want to have an officer name or SSN in there, unless that is their only ID number. It will be incumbent upon each state to reach out to the seller to get additional information each state may want or need. Craig indicated that Azavar has provided some wireframes (rough mockups) to the group and they are in the process of reviewing that based on the RFP sent out originally. Azavar has also started working on the database designs. The system is expected to be completed and ready for initial testing hopefully sometime in December. He said they will be reaching out to some of the states to help with this testing as well. Azavar is expecting the system to be ready to go live in late February. Craig Johnson said he is concerned that if there are schema changes the states need to do, that the states will also need to be ready to go live as well with the changes on their end. He indicated that he felt the ideal cut-off date will be July 1 beginning the next fiscal year as the target date to go live. He stressed that the new registration system cannot be implemented until all of the states are ready. It will only be as fast as the slowest state. He encouraged the states to start planning with their information technology people as soon as the new schema sets are approved. There is currently a weekly call with the members of the small group and regular updates are being received. He has instructed them to contact David Thompson or himself to ask questions as necessary.

Eric Wayne asked if the Certification Committee will be kept in tune as to the progress as they have other projects going on as well. Craig said between himself and David, they will push the information out as a team. He said it does not necessarily have to go out to the Certification Committee, but they can include all of the information that is sent out to the Certification team as it becomes available. Mr. Johnson asked David Thompson to explain the TIGRS process, which David did. Craig and David indicated that once TIGRS approves the schema, the GB will also have to approve it and at that point, the states will know what the schema changes are and can start planning the changes that will be needed in their individual states. David indicated that one issue that needs to be resolved is the ability to register foreign entities. The new system is being set-up to take care of that, but the current schema is not. Therefore those changes must be made to the schema. This will include things like being able to accept a foreign address,
foreign zip code and foreign phone number. He said once those are identified it should not take too long for TIGRS to get this approved. Craig Johnson indicated that hopefully this phase will be completed by the end of October or early November so states will know what schema changes are being made.

- Federal Legislation Implementation Committee – Richard Dobson, Chair
  - Discussion of Federal Legislation Implementation
    - Exemptions and Taxable Services Matrix – SL14021 and SL14022
    - FAQs – Craig Johnson, Chair - MC14007

Richard Dobson referred to document SL14021 and said this is the current draft of the Exemption Matrix and SL14022 is the Taxable Services Matrix. These 2-documents are to enable us to display and present information to the public and taxpayers with information regarding exemptions that each state has and also the taxable services on which the tax is imposed. Under the current draft Bill, Federal Legislation is requiring states provide information about exemptions and taxable services. This format is being used to comply with those requirements. He said these documents are designed for use by member states and also non-member states. The instructions at the top are limited at this time. The BAC has requested additional detailed instructions for the states and users. There will be more significant information added going forward. Mr. Dobson said this is an interim process. The states would go through their tax code and list the various exemptions that they have in their law. This document is not intended to give an explanation of every tax transaction in the United States. There is no such document that exists to disclose those. It will be a platform where a particular user can drill down to get the answer. This should be helpful to the states even from the Federal Legislation side. He said when this is out, it should help minimize phone calls.

Below the in the instructions draft there are 2-check boxes. The state would check one box only. Either taxes imposed only on services that are enumerated or taxes imposed on all services. In most cases states will check box 1. The second option is tax imposed on all services and see below for statutory exempt services. Some states who have a broader sales tax base would check the second box.

He said as you scan through it you can pick up on the nuances and various distinctions that the states may have. As the Bill rolls out, this will be very helpful. In the South Dakota example the second box is checked, so on the exemption matrix, any state will go through and fill out all exemptions. You can see the various fields and categories. Also under the other category we need to add a few more buckets to avoid having huge numbers of items listed in the other categories. In the South Dakota example it reflects all exemptions for tangible property and services. On the Taxable Services document, South Dakota’s example reflects all of the service exemptions in that state. The way their sales tax law is written, they tax all services unless there’s an exemption. There were no questions or comments. President Hardt said this will be a really nice tool once it is completed.

- Finance Committee – Victoria Daniels, Chair

Chair Victoria Daniels reported a travel expense increase due to the Audit Core Team conducting audits. There was also an increase due to DC lobbying travel for the Governing Board. The payment for the Central Registration System was pushed to the first quarter of FY2015. There is a new Office Expense/Other line item which represents the bank fees. The $15,000 increase under the Contractual Services/Federal Affairs line item was due to the timing of the payment. Chair Daniels moved the approval of the FY2014 Financial Report. The roll of
the states was called, 22-states voted yes and the motion carried. Tennessee and Rhode Island were absent.

- FY2015 Budget Revisions Proposal – FR14004
Chair Daniels said the proposed amendments to the FY2015 Budget Revision Proposal are the following: lower communication expenses, new line item for credit card fees, higher travel to allow the Committee Chairpersons to be paid for travel; and deferred Central Registration System payment. There is a new line item to help cover the travel costs for the Chairs of the SLAC, Audit and Certification Committee. Craig Johnson said the FY2015 Budget was adopted based on what was thought to have been based on the ending balance. At the end of the year the adjustment is made, as has been done in previous years once we know what that ending balance is. The Central Registration System line items goes from $150,000 to $210,000 because the payment in last year’s budget of $60,000 was not made. Instead, that was made in the current fiscal year. Chair Daniels moved the approval of the FY2015 Budget Amendment and there were no comments or discussion. The roll of the states was called, 22-states voted yes and the motion carried. Tennessee and Vermont were absent.

- FY2016 Proposed Budget – FR14005
Chair Daniels reported that the change in member payments represents the 3% dues increase which was approved at the October 2013 Governing Board Meeting. An increase in the salaries and benefits are likely to be approved in May. Postage and delivery is anticipated to be $1000 lower. Law Services and Books is increased to $1500. New Chairperson Travel category increase of $5,000 was added; 2% contractual rent increase for the Wisconsin office of $1000; there are 3-categories added under Central Registration which are annual hosting $18,000; Maintenance, Support and Licenses of the new system, $50,000 and Development of the New System, $60,000. There will be an overlap while paying for the old and new Central Registration Systems. Meeting Expenses was broken down into two separate line items for Semi-Annual Meetings, $60,000 and Committee Meetings, $5,000.
The ending deficit predicted of $71,675 is now actually a surplus of $23,395 which is a change of $95,070. Ending balance is $414,444, which is $23,395 more than anticipated. Senator Cook asked what our policy will be if the MFA passes and we are offering services of the Central Registration System to non-member states. Craig Johnson said now that there’s an approved contract for the new Central Registration System, it makes it easier to determine the cost for non-SST states. This will also be based on the final enacted bill. He said it should be look at as a service that may be offered to get as many states to use the Central Registration System as possible.

- Rule 806.1.2 – Finance Administration Policies – RP14008
Chair Daniels said she encourages electronic payment for vendor payments to be made on time. Craig Johnson said anytime a check is cut for $2,000 or more it requires a second signature. He would like for the Governing Board to approve allowing this second approval to be handled by email due to the time it takes in the mail from DC to Wisconsin to Iowa and then on to the vendor. He would like to set-up those payments through the bank as automatic payments. He reviewed the proposed changes in the new rule, document RP14008. He suggested adding, if a payment in excess of $2000 is made electronically, prior to the payment the President or Secretary-Treasurer would provide written approval by email. The approval email will be maintained on file indicating the check number, date written and who it was written to. Chair Daniels motioned the approval of the electronic payments by email. The roll of the full member states was called and 22-full states voted affirmatively and Vermont was absent.

- Business Advisory Council (BAC) – Richard Prem, Chair
Richard Prem said the Business Advisory Council elected another Board company and the officers did not change. The BAC looks forward to working with some of the other workgroups and have made a lot of progress on some issues with the SLAC workgroups.

- **Audit Committee – Bruce Christensen, Chair**
  - Audit Core Team audits and tax compliance audits conducted by states are ongoing. Bruce asked that states do everything they can to follow the timelines provided in the rules. Chair Christensen said the Core Audit Team is wrapping up the audits on the CSPs and he thanked Kentucky, Indiana, Minnesota and Washington for providing the members of the Audit Core Team and indicated they are doing really good work. The audit plan was prepared last November. The four auditors who did this spent 60% or more of their time on the contract compliance audits. He has heard from the CSPs that they are a little too thorough – which from a state perspective is good. The Audit Committee is helping to coordinate with the states, the tax compliance audits which always take longer for various reasons due to going back to the model 1-sellers for additional information.

- **Report of Omaha meeting, August 7-8, 2014**
  Chair Christensen said at the August Omaha meeting, the Audit Committee discussed a number of things and held lots of good discussions with the Certified Service Providers (CSPs) on various issues, i.e. bankruptcy of sellers, and the Appendix F changes. They have been working on a PowerPoint tool to post to the website regarding the advantages of the use of a CSP. He said the Committee has worked in the past on single audit issues and so forth, but cannot finalize that until they know what will be in the federal Legislation. They will merge that information together to move forward. The next meeting will be held the week of March 23 at the Department of Revenue in St. Paul, Minnesota.

- **Hybrid-Origin Sourcing – Steve Kranz and Craig Johnson**
  Craig Johnson said one item that continues to be brought up during the DC visits while talking to Dan Huff of Chair Goodlatte’s staff is hybrid origin sourcing. Craig recognized Attorney Steve Kranz of McDermott, Will and Emery. Steve Kranz discussed the legal issues regarding hybrid origin sourcing. He said many are familiar with the International Fuel Tax Agreement and how it works to solve problems in the fuel tax world. The hybrid piece is that it adopts administrative functions used in the fuel tax world to try to make origin sourcing look like something that is palatable. The proposal was put forth at the March Judiciary hearing by former Representative Chris Cox. He reported that Steve DelBianco helped prepared that proposal. Under the proposal, states would join a compact and the sellers in those states would be collecting tax based on the tax rate and taxability that exists in their location. Only the states who join the compact are covered and only businesses located in states who join the compact are covered. Sellers located in states that do not join the compact are not covered.

  Steve Kranz and Craig presented a PowerPoint which explained the proposal.

  Steve DelBianco said before we dive into the possible problems with the proposal, it should be noted that NetChoice turned into an advocate for an alternative only because they feared the flaws of the MFA and the impact it would have on sellers. He said that Steve Kranz and Craig Johnson had done a good job explaining it. He and Terry Ryan will provide their information.

  Steve K and Craig discussed some of the potential problems with the proposal including the fact that states likely won’t join the compact, retailers will manipulate their home jurisdiction to avoid
having to collect tax, the proposal is taxation without representation, it violates state sovereignty principles, violates the equal protection clause, this proposal would be a tax increase on millions of Americans, it would create tax havens, it would confuse customers, and it will not resolve or eliminate litigation regarding the physical presence standard.

Craig Johnson said one thing that Steve DelBianco brought up was the situation regarding the earrings that he bought at Prairie Edge in South Dakota last night. Craig pointed out that that sale was based on destination based sourcing because the property was transferred from the seller at the store in South Dakota to Mr. DelBianco. That is not origin sourcing as Mr. DelBianco indicated. It might look like origin sourcing, but it is not origin sourcing. If Steve had said don’t hand me those earrings here, instead ship them to me in Virginia, under origin sourcing, the South Dakota tax would be collected, but under destination based sourcing, the seller would collect the tax in Virginia based on the location to where it was shipped.

Steve DelBianco and Terry Ryan from Apple provided various comments regarding some of the issues and problems that were discussed and believe the hybrid origin sourcing proposal needs to be considered if something is going to get done on the issue. Mr. DelBianco also indicated that he believes the Marketplace Fairness Act fails all seven of the principles that Chairman Goodlatte had provided relating to a federal solution on this issue. At the same time, Mr. DelBianco said they have put up a proposal that meets all seven of Goodlatte’s principles.

Steve Kranz said on a constitutional measure, we’ve been engaged in this conversation for about 15-years and evaluated the implications of that type of Federal implication. He does not believe the MFA and its versions have the same constitutional problems that this version would.

Russ Brubaker questioned whether or not adopting origin sourcing would be worth turning the cart upside down.

Steve DelBianco said it has to be uncomfortable to see a proposal that would undo all the work that Streamlined has done, but if it would remove the burdens from the sellers it should be done. Under this proposal, there would also be no need for a small seller exception.

Senator Dwight Cook asked how many votes the MFA got from the Senate and Craig Johnson replied, 69 yes and 27 no. Senator Cook said if that bill went back to the Senate with hybrid origin sourcing, it would never pass the Senate. In North Dakota they call ideas like this “putting a wart on a bill.” It’s put on for one purpose, which is to get the bill killed.

John Doyle said when Steve DelBianco mentioned under this proposal there would be no need for a smaller seller exception, but most states already have a small seller exception. Steve Kranz said many of the states have true small sellers and this would protect them. He indicated that under the hybrid origin sourcing proposal, you don’t need to carve out the small sellers. They get to collect and file with the same department of revenue as today and it is not necessary to carve them out at the Federal level. Craig pointed out though that those small sellers would have an increased reporting requirement and would have to track their sales by zip code.

Craig and Steve K then explained the International Fuel Tax Agreement model that the hybrid origin sourcing proposal appears to be based on. Craig explained that IFTA applies only to one type of product – motor fuel – and generally there is only one rate per state. This model works great for them. However, sales and use taxes are a completely different creature and this type
of model would be nearly impossible to follow due to the thousands of different products being sold, the different tax rates and the various taxing jurisdictions.

Steve Kranz also pointed out that the IFTA is not a voluntary compact. Steve Kranz said the language regarding the fuel tax agreement in Federal Legislation says that states can join but doesn’t require them to participate. Fuel tax is a very simple base and there may be different grades, but it’s a very simple base and simple set of rates covered by this agreement and function as well. You’re really just looking at a mileage allocation around the county, where as the sales and use tax world is much more complex.

Additional discussion were held concerning local taxes and how those come into play with hybrid origin sourcing and the varying local rates as well as the need to pass all the information about what is being sold, what state and local rate is being charged, the purchaser’s location, etc. Steve DelBianco indicated that under no circumstances is there a need to pass all that information out to the state department of revenues with every single sale. Senator Peters said South Dakota has jurisdictions based on one zip code and inquired how they would be able to properly allocate out the local taxes if they did not have that information. Mr. DelBianco said the states are getting money at the state level, but they are getting money all the way down to where the jurisdiction is located. Phyllis Shambaugh said those taxing jurisdictions may have a different rate.

Steve DelBianco said the Governing Board has done a fantastic job in being more creative than himself and if nothing gets done in the lame duck session, this could be something we will be talking about next year.

Terry Ryan added his view and said they were not Apple’s views, but his views and he also referenced his article in State Tax Notes. Mr. Ryan explained that he is actually on the Governing Board’s side, but the House of Representatives is a “tough nut to crack.” He talked to Dan Huff and said we are going to have to find something else here. They are not going to pass the MFA. He said he’s trying to find something that will pass. He said he liked Craig Johnson’s chart because the idea behind IFTA says this is an idea of spreading the income. It’s not to say it matches up exactly. He said he wants to see something passed. He said he doesn’t particularly like the voluntary compact and has never even really seen the NetChoice proposal. He supports something that will get passed by the House and the Senate.

Phyllis Shambaugh said from a tax administration standpoint, this would radically change the type of information the state receives on a tax return. Ohio just implemented a new tax Administration System in June of this year and hybrid origin would add a whole new level of information. It would come in with a breakdown apparently at a more detailed level.

Jerry Johnson said when he read the State Tax Note article initially and what Terry Ryan said the article says it’s been difficult for the House to accept the MFA, so they are looking for something that’s more palatable than MFA. As he read the proposal, he thought about years ago in Congressional offices and trying to explain the 3 or 4 versions of the federal legislation before the MFA and what it means to an Oklahoma resident and the information they will have about purchases, the big issue always was that there’s a person out there thinking this is a tax increase. Jerry said he answered the questions and got a good understanding of what they were concerned about from their constituents, but he said if he was trying to explain this proposal, he could not fathom how this would be politically palatable to Oklahoma residents to say you’re going to pay a tax rate that’s higher than what you are paying now and the reason for the higher rate is because of the other state’s laws apply to you. In addition, under the proposal,
Oklahoma residents will be paying tax on items that might otherwise be exempt from tax in Oklahoma and at the same time, not pay tax on items that are taxable in Oklahoma.

Terry Ryan indicated that you have to view it as though you are traveling electronically and buying from their website in their state. Steve Kranz asked what about foreign sellers? Under this proposal they are carved out and protected. Terry Ryan disagreed with Steve on that. He said under the MFA he doesn’t see how they are covered. Steve Kranz said they are absolutely covered. Mr. Ryan asked how you would have jurisdiction on a foreign seller. Mr. Kranz said there are a number of treaties and tax provisions that would come into play. Mr. Ryan said foreign sellers have to be covered. John Doyle said if you get on the web and visit a seller in Minnesota it sounds like Terry Ryan is saying that is the same thing as driving to Minnesota and buying something there. Mr. Doyle said the sale may be recorded there, but it doesn’t take place until I take possession of the product and if that happens in Minnesota, then yes I owe the Minnesota sales tax. However if I don’t get possession of the product in Minnesota, but instead get possession of the product in Minnesota, then I should not pay Minnesota tax, but instead pay West Virginia tax. Steve Kranz indicated that the whole hybrid origin sourcing idea is it protects the non-SST states. Terry Ryan said Apple will not support it if it has that kind of loop hole. He recommended that all who have concerns should get through to Dan Huff and let him know their concerns. He suggested doing that outreach and now is the time. Mr. Ryan suggested reading his article and if you have concerns contact Chair Goodlatte.

Craig Johnson advised the attendees, if they have question or concerns about hybrid origin sourcing to please feel free to contact us.

Craig Johnson thanked Steve Kranz for all his work, insights and support of the Governing Board and also Steve DelBianco and Terry Ryan for sharing their ideas. He indicated that he hopes we can find some common ground.

• **May 2015 Governing Board Meetings**
  
  Craig Johnson said for the May 2015 Governing Board Meetings we are looking at Burlington, Vermont the week of May 10. We want to be sure the dates and details will work out, and advised the attendees to not make their flight arrangements yet.

  Mr. Johnson reported that the state of Minnesota has received questions from consumers and taxpayers asking about Streamlined and what it is all about. He said they have put together a video with the Minnesota Department of Revenue related to Streamlined. He applauded them for putting forth that effort and they worked on the script as well. He said we will be able to get it out and provide a link on the SSTGB website to share very soon.

• **Adjournment**

  President Hardt thanked Senator Peters and the South Dakota Department of Revenue staff. With no further business she adjourned the meeting at 11:28 AM Mountain.