

Governing Board Meeting Minutes

September 16-17, 2015

Wednesday, September 16, 2015 - 1:00 - 5:00 PM EDT

- **Welcome and roll call of member states**

President Deb Peters called the Governing Board Meeting to order at 1:02 PM EDT. The roll of the member states was called. Present were Arkansas, Georgia, Indiana, Iowa, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, West Virginia and Wyoming. Kansas and Tennessee was absent.

- **Opening Remarks**

Richard Dobson welcomed Commissioner Tom Miller of the Kentucky Department of Revenue and introduced the Kentucky Department of Revenue attendees. He also introduced Charlotte Quarles and Eric Kennedy of the Kentucky Legislative Research Commission. He recognized Jan Gould of the Kentucky Retail Federation and introduced Senator Joe Bowen (KY) who provided remarks regarding the Commonwealth of Kentucky. John Gant of Louisville Forward welcomed the attendees to the city and provided a Louisville Tourism presentation.

- **Additional Agenda Item – IO15003**

President Peters asked for approval to add item IO15003 to the agenda. The information relating to the item had been provided at least 10 days prior to the meeting as required by the SSTGB rules. Roll call vote was taken with 22 yes and 2 absent.

- **May 12–13, 2015 Governing Board Meeting Minutes Review/Approval (MM15002)**

President Peters ask if there were corrections to the minutes from the May 2015 Governing Board Meeting and there were none. John Doyle motioned the approval of the minutes. The roll of the member states was called and the minutes were approved with 22-yes votes.

- **Reports of Committees**

- **Executive Committee – Senator Deb Peters (SD), President**

- **Federal Legislative Affairs Update – Randi Reid**

Randi Reid of Kountoupes Denham reported that the federal e-fairness legislation, commonly known as the Marketplace Fairness Act (MFA), continues to be considered as an important policy issue to be addressed this year. The congressional priorities in the short-term are focused on macro policies affecting the country. This month the Congress is focused on the Iran Nuclear Agreement and the continuing resolution to remain funding the federal government into the new fiscal year, starting October 1, 2015. Several authorizations expire this fall coupled with big ticket items that the congressional leadership plans to address. Those items include but not limited to fiscal year 2016 funding for the federal government, most likely in a continuing resolution/omnibus appropriations bill, highway funding, tax extenders or other larger tax-related legislation, and the debt ceiling. Whereas e-fairness federal legislation remains a Tier I policy issue for all of us, it is now viewed as a Tier II or Tier III issue by congressional leaders due to the competing policy interests of the day.

There are strong House and Senate champions of e-fairness that remain committed and focused on finding a solution this year. Ms. Reid provided an update on the House and Senate activities since the Governing Board met in May

2015. The policy issue continues to evolve and the supporters are working towards final passage by the end of this year.

House

As discussed last January, House Judiciary Committee Chairman Bob Goodlatte released a draft bill called the Online Sales Simplification Act (OSSA). It outlines his desire for an origin sourcing model and the use of a central clearing house. The bill has not been officially introduced to date and remains a discussion draft. Chairman Goodlatte continues to meet with some external stakeholders to determine if there is a path forward with his bill. To date, we are not aware that he or his staff have specifically reached out to the state groups for input. Although when in DC, the Governing Board continues to request meetings with his staff to express their concerns and inability to support an origin sourcing bill.

Chairman Jason Chaffetz and Congressman Steve Womack introduced H.R. 2775, The Remote Transaction Parity Act (RPTA) (MC15012) on June 15, 2015. The bill pursues a destination sourcing model for remote sales tax collection. Ms. Reid stressed the bill is not identical to the Senate's Marketplace Fairness Act. The House bill addresses several issues on concerns raised after the Senate passage of the Marketplace Fairness Act in May 2013:

1. Small business exemption - A phased-out small seller exemption over 3-years. The first year is gross annual receipts under \$10-million, the second year is gross annual receipts under \$5-million and the third year is \$1-million. After the third year, the exemption will be zero. Sales made via an online marketplace are not exempted.
2. Audit procedures - Audits are conducted through the certified service provider (csp). It eliminates state audits and demand letters for remote sellers under \$5-million in gross annual receipts unless intentional misrepresentation or fraud.
3. Software costs and integration - Allows remote seller to select its own software, the cost of which is paid for by the state. States payment of set-up, installation, and maintenance costs is included. Software must work in all states qualified under the Act.
4. Liability - Ensures the certified software provider, not the remote seller, is held liable for all regulation and compliance burdens unless there is reasonable suspicion that the remote seller has engaged in intentional misrepresentation.

At present, the Remote Transaction Parity Act has 48-co-sponsors and the support continues to grow. The Governing Board is very supportive of the Chairman's efforts and continues to provide technical guidance and input based on the experience and knowledge it has gained over the last 15+ years in developing the Streamlined Sales and Use Tax Agreement (SSUTA). For example, the Governing Board and the National Conference of State Legislatures (NCSL) partnered in July to educate House congressional members about the bill and strongly encourage co-sponsorship. Senators Deb Peters (SD), Wayne Harper (UT), and Curt Bramble (UT) and Representatives Gary Scherer (OH) and Kelley Linck (AK) and Craig participated in 41-meetings with congressional members and staffers. Those meetings were critical in bringing on additional co-sponsors and assisting Chairman Chaffetz and Congressman Womack with their personal outreach and education of their congressional colleagues.

The Governing Board will continue to work with Chairman Goodlatte and Chairman Chaffetz to find a solution that is fair to all parties involved – sellers, purchasers and the states.

Senate

Since the overwhelming passage of the Marketplace Fairness Act in the Senate in May 2013, the Senate sponsors have been working with all stakeholders to enact the bill into law. On March 10, 2015, Senators Michael B. Enzi (R-WY) and Dick Durbin (D-IL) introduced S. 698, The Marketplace Fairness Act of 2015 (MC15006). There are currently 22-Senator cosponsors. The legislation is identical to the Senate-passed bill from 2013, with the addition of the Collins/King amendment, which delays the date that states can exercise the authority of the Act and exempts the first holiday shopping season after enactment. For example, if MFA is enacted on September 1, 2015, states can start exercising authority on September 1, 2016. If MFA is enacted on October 1, 2015, states cannot start exercising authority until January 1, 2017.

The Governing Board continues to work with the Senate champions to educate new members of the Senate. This past summer, the primary focus has undoubtedly been in the House, but with a potential for one or more end-of-the-year legislative packages this fall, a two-prong outreach approach in the House and Senate will be employed.

Current Status/Next Steps

House and Senate supporters of e-fairness policy concepts continue to work together to find a solution. The fall focus will be ensuring that the Internet Tax Freedom Act (ITFA), which is set to expire on September 30, 2015, or any other e-commerce or online tax-related bills do not gain traction or consideration without the coupling of a federal e-fairness bill.

The Governing Board remains positioned as a leader during congressional policy negotiations on how best to proceed this year on e-fairness legislation, but your help is needed! Congressional members and their staffs need to hear directly from you and your state leaders now. Educating them about your state's direct interest is critical - they need to know they have in-district and in-state interests and ultimately support from you, should they agree to support and be active. Please let Senator Deb Peters, Craig Johnson or Randi Reid know if there are any questions or need assistance in your outreach.

- **Coordinating efforts with other organizations**

The 2015 NCSL President Curt Bramble reported that NCSL's top agenda item is e-fairness. The states have been pushing this since 1999. He introduced the Utah Governor's representative from DC, Wesley Smith. Senator Bramble said the primary focus is to actually get Congress to take a step and move this forward.

- **Federal Legislation Implementation Committee – Richard Dobson (KY), Chair**
Chair Richard Dobson provided an update on the implementation of federal legislation.

- **Exemption and Taxable Services Disclosure Matrices ([MC15004A01](#) and [MC15005A01](#))**

Chair Dobson said at this stage, the member and non-member states are encouraged to review the documents that are out there to start using them now.

Hopefully the states can post them on their websites to see how folks respond to them. He said this would direct them to the contact points and contacts that need to be made. Steve Kranz said we may want to do some work with the business community to clarify what is happening in the Streamlined member states. Mr. Dobson said this continues to evolve and right now is just a voluntary process and not a mandate. John Doyle said in West Virginia's situation it will require several resources to complete this. Mr. Dobson reiterated that these documents will change based on the enactment of federal legislation and is still a work in progress. Pat Calore (MI) and Gina Dougherty (AR) plan to send further information to consider.

- **Finance Committee – Victoria Daniels (IA), Chair**

Chair Victoria Daniels reported on the four agenda items. She asked if there were any questions.

- Financial Reports – Fourth Quarter FYE 6/30/15 ([FC15003](#))
- Annual Financial Report for FYE 6/30/15 ([FC15004](#))
- FYE 6/30//16 Budget Revisions Proposal ([FC15005](#))
- FYE 6/30/17 Proposed Budget ([FC15006](#))

Craig indicated that there is a fifth Finance Committee document in the book which is FC 15007 and is a comparison of the income and expenses of the SSTGB since 2006.

President Peters asked Craig Johnson to discuss the salary increase line item so people would understand where that is coming from and what it is all about. Mr. Johnson reported that a new part-time IT position was approved during the closed Executive Committee Meeting this morning. Currently David Thompson handles the IT duties. The new hire would help David with IT and the central registration system. He/she would be cross trained to help Pam Cook with the annual state compliance reviews as well. Mr. Johnson plans to hire someone with a strong Streamlined background and IT knowledge. Today there over 2600 active registered retailers as opposed to just 1200, a few years ago. For that reason, there is an increase in the salaries line item.

Chair Daniels moved the approval of the FY2015 fourth quarter budget, unaudited annual FY2015 Financial Report, FY2016 budget revision proposal and FY2017 proposed budget. The roll of the full member states was called, 21-voted yes, three absent and the motion carried.

- **Compliance Review and Interpretations Committee – Myles Vosberg (ND), Chair**

- Delivery of Concrete – Interpretive Opinion ([IO15002](#))

Chair Myles Vosberg discussed the Ready Mix Concrete interpretation requires submitted by Val Gibson, the facts presented, the recommended response by CRIC, and Paulina Oliver's response for the Nevada Department of Revenue. Mrs. Oliver said she is okay with the CRIC's proposal. Chair Vosberg and Senator Bramble motioned the approval of IO15002, the roll of the states was called, 22-voted yes and the motion passed.

- Upcoming State Compliance Reviews ([CI15005](#))

Craig Johnson reported that Pam Cook has completed the compliance reviews of most of the member states. Chair Myles Vosberg discussed the schedule of teleconferences.

- Prepaid Wireless Calling Service – Interpretive Opinion ([IO15003](#))

Chair Vosberg discussed the Interpretive Opinion that was requested by Deborah Bierbaum of AT&T. He said the issue was whether the term prepaid wireless calling services included “rollover amounts.” There was a good discussion about whether “rollover amounts” fell within the definition of prepaid wireless calling services. By a unanimous decision of the Committee, the recommendation is being made that the definition does include “rollover amounts,” since the rollover amounts are included in the prepaid wireless calling service that is paid for in advance when a customer makes a subsequent purchase and it is for pre-determined units. Deborah Bierbaum said that Chair Vosberg did an excellent job explaining it. No other questions or concerns were raised. Tim Jennrich motioned the approval of IO15003, the roll of the states was called and with 22-yes votes the motion carried.

- **State and Local Advisory Council – Tim Jennrich (WA), Chair**

- Report of Omaha meeting, August 3–4, 2015

- Chair Jennrich reported that SLAC held an August in-person meeting in Omaha to move language forward for discussion and possible vote. They discussed the proposed practices for liability relief related to Sections 328 and 335 of the Agreement; compliance and sanctions and the amendment change being brought forth by Indiana related to federal taxes included or excluded from the definition of sales price and the post transactions issues. Alison Jares is the workgroup chair for the post transaction issues.

- 2016 SLAC Steering Committee ([SL15025](#))

The 2016 Steering Committee was elected during the September 15 SLAC Meeting. Those elected were Christie Comanita (AZ), Chad Paulson (MN), Tony Mastin (OK), Gina Dougherty (AK) and Matt Bishop (IA). The elected Local Government members were Michael Bailey (GFOA) and Robert Scott (US Conference of Mayors).

- SLAC Annual Report ([CM15001](#))

The 2015 SLAC Annual Report, CM15001 provides a summary of the work that was completed successfully in May of this year.

- Compliance and Sanctions

Chair Jennrich said it is anticipated that SLAC has completed the work on Compliance and Sanctions and thanked Gina Dougherty for leading that workgroup. With respect to “compliance and sanctions,” the following amendments to the SSUTA and related rules are being proposed.

- Section 803 – Annual Recertification of Member States ([AM15003](#))
- Section 805 – Compliance ([AM14008A03](#))
- Section 805.1 – Finding a Member State Out-of-Compliance with the Agreement ([AM14008A03](#))
- Section 809 – Sanction of Member States ([AM14009A01](#))
- Rule 803 - Annual Recertification (RP15008)
- Rule 805.1 – Determination of Sanctions (Repeal) ([RP15002](#))

- Rule 809 – Sanction of Member States ([RP15009A01](#))
- Rule 904.1 – Determination of Sanctions (Repeal) ([RP15003](#))
- Rule 905 – Annual Recertification (Repeal) ([RP15004](#))

Tim Jennrich said the SLAC worked on Section 803 in document AM15003 and RP15008, Section 805.1- RP15002 and AM14008A03, Section 805-AM14008A02, Section 809-RP15009A01 and AM14009A01. SLAC also worked on RP15003 and RP15004. SLAC considered it yesterday during the work session and adopted the amendments and rules with minor adjustments. Tim Jennrich motioned the adoption of all these amendments and rules for approval. Gina Dougherty walked through all of these amendments and explained the handout titled Compliance and Sanctions which details the way the various sections of the Agreement and Rules interplay and how the workgroup looked at matching them up. Based on the interplay of the various Sections of the SSUTA and the Rules, it is important to approve them all as one block. She also explained the revisions that were made to a couple of the documents and that have been handed out separately. Tim Jennrich amended his motion to cover the documents that were amended as Gina explained and to approve them all as one block.

The roll of the full member states was called, 20 voted yes, Kansas and New Jersey were absent, Georgia abstained and the motion passed.

- **Tax Administration Practices – Disclosed and Best Practices**

Next Chair Jennrich discussed the history of SLAC's Appendix E related to Disclosed/Best Practices and the development of some additional tax administration practices related to liability relief for tax administration practices that are covered by AM15005A01, AM15006A01, and AM15007

Chair Jennrich walked through each of the proposed amendments. Craig also explained how these items would be reflected in the online taxability matrix and changes to the certificate of compliance once the taxability matrix was updated. Craig also explained that if these items are adopted, all of the SSUTA states will need to update their online taxability matrix by December 1, 2015 in accordance with the requirements contained in the SSUTA and the SSTGB rules and procedures. Discussion took place regarding the process for updating the online matrix, timing, etc. Craig indicated that according to our rules, the SSTGB staff will update the online taxability matrix template within 30 days of this meeting. Once that is done, we will notify the states that the updated template is available and that states can start updating their respective matrix. When the states have finished making their updates, they will notify David Thompson through the use of the Form F0020 and David will then "publish" their updated information on the date they specify.

Chair Tim Jennrich motioned to approve Appendix E, AM15005A01 and AM15006A01 as amended and AM15007. The roll of the full member states was called, 20 voted yes, 2 voted no (New Jersey and Georgia), one full member absent (Kansas) and the motion passed.

- **Definition of Sales Price – Exclusion for Certain Federal Taxes**

Tim Jennrich asked Larry Molnar (IN) to discuss AM15001, AM15004 and RP15010. Mr. Molnar said they formed a workgroup with members of the business community, Craig Johnson and Pam Cook. The workgroup started with the second version of the amendment in May, AM15001 and from that developed a second alternative, which was AM15004. This second option results in a much broader way of addressing the

federal excise taxes under the definition of sales tax. Rather than just adopt an amendment that identifies the specific federal excise taxes that Indiana is concerned with, the alternative addresses all of the federal excise taxes at once. It also puts the burden on the state that is going to exclude these items from their definition of sales price to make sure they put these items in their taxability matrix. This also supports the objective of SLAC which is to provide clarity to all involved. Indiana and the workgroup present both of these options for the Governing Board to consider. Either will work for Indiana. He suggested that SLAC decide which amendment version SLAC was more in favor of and they would continue working on that version. After brief discussion, SLAC had chosen option 2 – AM15004. Some additional wordsmithing was done to Rule 327.9 which is document RP15010A01. Larry Molnar made a motion to approve AM15004 (option 2) and RP15010A01 related to the exclusion of federal excise taxes from the definition of sales price. Fred Nicely thanked Senator Peters and the Governing Board for giving the SLAC and BAC the opportunity to discuss the issue in more detail and develop the proposed amendment and rule. The roll of the states was called, 21 voted yes, 2 were absent (KS and NJ) and the motion passed.

- **Election of 2016 Officers and Directors – (NC15001)**

Mike Eschelbach (MI) motioned the election of the slate of 2016 Officers and Directors. The roll of the full member states was called, 21 voted yes, 3 were absent (KS, NJ and TN) and the motion passed. The 2016 Officers are Richard Dobson (KY), President, Senator Dwight Cook (ND), 1st Vice President, Dan Noble (WY), 2nd Vice President, and Victoria Daniels (IA), Secretary-Treasurer. The newly elected 2016 Directors are Representative Kelley Linck (AR), Eric Wayne (NC) and John Doyle (WV).

- **Election of 2016 Nominating Committee – (NC15002)**

Mike Eschelbach (MI) motioned the election of the 2016 Nominating Committee members listed on the slate of candidates. The roll of the full member states was called, 21 voted yes, 3 absent (KS, NJ and TN) and the motion carried. The 2016 Nominating Committee members are Ellen Auger (MN), Eric Wayne (NC), Guy Childers (NV), John Doyle (WV), Senator Wayne Harper (UT), Senator Deb Peters (SD), Representative Kelley Linck (AK) and Diane Hardt (WI).

- **Business Advisory Council (BAC)**

Charles Collins said they had a quorum this morning. The BAC elected two people to the board, Bruce Johnson and Scott Peterson. They had an election of officers,Carolynn Kranz will be the 2015 Vice President and Brian Kuntz the Secretary-Treasurer.

- **Audit Committee – Ellen Auger (MN) and Darrell Engen (ND), Co-Chairs**

- Report of Omaha meeting, August 4 - 5, 2015
Co-Chair Darrell Engen said the Audit Committee met in Omaha on August 4-15, 2015.

Darrell Engen reported that the Audit Committee found a legitimate complaint from the CSP's in the way they are seeing duplicate record requests from the Audit Core Team as well as the states on mapping data. They are trying to eliminate that duplication. Their focus in going forward is to come up with a sample plan that hopefully will be acceptable to the states.

Darrell Engen discussed the proposed amendment to Appendix F of the SSTGB Rules and Procedures (RP15007). He said the states receive data from the CSPs

that is put on a secure site. The amendment will require the CSP to put a copy of that file in the Audit Core Team folder as the same time. This will eliminate the possibility that a file could be provided to the state, inadvertently changed and then have the Croe Team end up with an incorrect file. This way the Core Team will be sure to receive the correct file with the accurate records directly from the CSPs. Craig Johnson said prior to this the CSPs provided the state files to each state and then the states/Testing Central provided them to the Core Team. Motion was made by Jason Dockter (ND) to approve RP15007. The roll of the states was called, 22-voted yes, 1 absent (KS) and the motion passed.

- **State Tax Compliance Audits**

Darrel Engen said most of the states had either completed or were in the process of completing their individual state tax compliance audits with the CSPs. Some states experienced data problems which has slowed the process down and some are waiting for invoices or data from some of the CSPs.

- **Certification Committee – Tim Bennett (KY), Chair**

- Report of Omaha meeting, August 6-7, 2015

Chair Bennett reported that the Certification Committee met in Omaha on August 6-7, 2015.

- Update on status of CSP applicants

The Certification Committee has been notified that CCH plans to end their CSP certification as of October 1, 2015. They are encouraging their clients to reach out to another CSP or to become a Model 4 seller and file their returns directly to the state. It was a decision made at their headquarters and affects not only their ability to be a CSP, but also other parts of their operation as well. Corey Barwick and Bruce Krumlauf had discussed this with Craig Johnson and they recognized that rather than just continue on and not follow the contract they felt it would be better to end the contract. If they can become compliant in the future, they plan to reapply.

The Governing Board Meeting adjourned at 4:58 PM EDT to reconvene on Thursday, September 17.

Streamlined Sales Tax Governing Board Meeting Minutes

Thursday, September 17, 2015

8:30 AM - Noon EDT

Call to order, roll call of member states

President Deb Peters reconvened the Governing Board Meeting at 8:31 AM EDT, the roll of the member states was called with 21 states present and 3 absent (KS, VT, and TN).

- **Executive Director Updates and Reminders – Craig Johnson**

- New Central Registration System Update

Craig Johnson reported that they are continuing to make progress on the new central registration system and Mike Fus of Azavar will be walking us through the user interface portion of the registration system so everyone can see where we are at. As we are going through the demonstration and as you each go through it on your own, please remember that with the current registration system, anytime we want to change the static language, we have to pay the vendor to do the work. With the new registration system, David Thompson will have the ability to make these changes.

After the demonstration today and the webinars that David has set up with all of the states, the states will be able to start testing the user interface. CSPs will also be able to start testing the bulk registrations portion of the system and it is important that they begin testing this as soon as possible so any bugs can be worked out.

Remember that the schema was approved and provided to all of the states last December so you should have had plenty of time to work on programming that. With respect to the State/Administrative portion of the system, David is working through that and that should be ready for testing shortly as well. We have approximately a two-month window for testing to make sure the system itself is ready to go and that states can receive the data. There is a workaround that will be in place for those states that are not ready, but it will require manual processing on the part of the states – not something we want any state to have to deal with.

Craig also thanked David, Jody Bartels (SD), Tim Bennett (KY), Bryan West (AR), Jim Romano (OK), Elaine Bednarz (NC), Joann Seago (NC), Angie Simpson (NC), Jack McCrobie (IN), Heidi Genest (Avalara), Gary Centlivre (Fed-Tax) and many others for their work on developing the system

Mike Fus of Azavar and Craig Johnson walked through the SST Registration System (SSTRS). Scott Peterson of asked if the SSTRS would resolve the POA issue that they have with the states and Mr. Johnson said it would not. Much of that issue is related to specific state laws and the registration system can't just override those laws. What we have done though, is put some language in that sellers who anticipate being Model 1 Sellers need to agree to before continuing with their registration. Although this will not address the issue for every state, it should help. Mr. Johnson said we also have the ability to change any of the language in this system so if we need to add something or tweak it later, we can do that.

Mr. Fus said the system has two rounds of testing. There will be user interface and web services testing. Mr. Fus has worked out a plan to get the testing done in time for the January 1, 2016 go live date. There will be 8-weeks of testing, and as long as that timeline is stuck to, there shouldn't be any problems at go live. Craig Johnson encouraged the states to begin their testing as soon as possible. He said as soon as any issues are identified, Azavar can start working on any necessary changes. Mr. Johnson said we have 120 to 130 business rules/edits that are built into this system – such as you cannot put in more or less than 9-digits for social security numbers. Charles Collins said regarding the limited authorization that Scott and Craig were talking about so that a CSP and the state can discuss any issues on returns that have been filed by the CSP without another form needing to be signed, etc., he encouraged the states to look at that to determine if what is there is sufficient or what else they need to have on that screen. The provider should at least be able to resolve any issues or notices they have with the returns they filed on behalf of the seller without having to get a specific POA. When the seller signs a contract with the CSP, they specify what they need to have done. Richard Dobson said they have noted that concern. Craig Johnson said there are all kinds of options but again we cannot override state's laws.

Craig Johnson said there are FAQs which are linked back to the SST website. The answers will be available there and will be updated on an ongoing basis. If additional FAQs are needed or wanted, please send them to Craig.

Mr. Johnson asked the states to think about any issues or concerns they had regarding the current registration system and said he hoped they would see the new system as a dramatic change.

A suggestion was received from Chap Paulson (MN) with respect to the “Unregistering” screens to add some language to remind the sellers to file a final return with each of the states.

- Status of Streamlined Registrants

Craig Johnson said there are currently 2633 active registrants. Over the past 2-½ years, additional registrations continue to be gained monthly.

Since Streamlined has been in effect, the states have collected over \$2 billion in sales/use tax from SST registered sellers based on the amounts reported to him by the states. It should be noted, however, that some states are not able to provide the breakdown between the dollars collected from volunteer sellers and the dollars collected from all SST registered sellers in their state. Craig indicated that if all of the states included all of the dollars they collected from all SST registered sellers the \$2 billion number would be significantly higher. Craig also explained that he receives requests about the collections and provides the information regarding each year as a whole, broken down by state.

- CSP Status

Taxify/Ship Compliant/SOVOS was approved for certification in Rapid City at the Governing Board Meeting last year. We are still looking at a couple issues before we sign the contract, but they are ready to sign on as a CSP. They have been keeping everything up to date, such as test decks, as though they are a CSP even though they had not yet signed a contract with us. I will be having them also submit the annual representation letter to ensure that nothing has changed since they were approved.

Taxometry is finishing up their testing and we hope to have them finalized and approved by the December meeting. If they are waiting on anything from your state, please get that to them as soon as possible. Once we think they are ready, the Certification Committee will meet to formulate an official recommendation on Taxometry’s certification as a CSP. If they are good with it, that recommendation will be brought to the Executive Committee for approval and if approved, we will enter into a contract with them.

As Tim Bennett (Certification Committee Chair) indicated earlier, CCH will no longer be under contract with SSTGB, effective October 1, 2015.

- Identifying Additional States for Membership

Craig Johnson and President Peters have been looking at several states for possible membership in the SSTGB. Pam Cook also looks at their statutes to ensure they meet the requirements. It is hoped that we can get additional states to join.

- Exemption Certificates – Survey Results

Craig Johnson said we are not in the position to (but should be able to) answer exemption certificate related questions for individual states. A survey was sent out a couple months ago regarding exemption certificates, what information is required, etc. When we sent the survey out I indicated that we were going to summarize it and put it on our website. We will be sending the summarized results out to the states for one final review and then get it posted to our website, hopefully before the end of the year,

Pat Calore asked how it will be updated and in response, Craig Johnson said the document will indicate that this is the position as of a particular date.

- Voluntary Disclosure Survey
 - Issue is proper timing of registering through SST when also working on voluntary disclosures with one or more SST states.
 - Survey was sent out recently and already have responses from 13 states
 - CSPs want to register sellers ASAP but don't want to register if it is going to mess up the seller's VDA with one or more SST state
 - Questions centered around how early a person can register in a state without it adversely affecting a VDA
 - Sellers/CSPs want to "stop the bleeding" and start collecting without additional liability continuing to accrue
 - Ideally we will be pretty uniform in this area
 - Will compile responses from all of the states, share with the states and post to the website to help provide sellers guidance in this area

Eric Wayne said they reached out to MTC and they would have to make some adjustments. It may affect some other states. There may have to be a workaround through MTC though since the taxpayer remains unknown until the end. He said they would try to work through that process with MTC.

Scott Peterson said as they go through the voluntary disclosure process, it's different in every state. It would be helpful if the CSP's had a manual from each state. He said it really is not that complicated.

Myles Vosberg said North Dakota is a member of MTC and he is on a review team with a number of states to try to make the voluntary disclosure program more user friendly. He said he will carry that message to the project team to see what can be done about that. Myles will send what he can to Craig on this.

- Monthly Update

Craig Johnson said a suggestion was made to put out a monthly update or some type of periodic update that the people on the list servs could share with the rest of their state personnel as needed. The goal is to try to keep as many people informed about Streamlined in the states as possible. Craig will try this around the end of October. If there are specific things that the states would like to have covered in that update, let Craig know what would be most useful. His thoughts are to cover the status of the federal legislation, SLAC activities, CRIC, Audit and Certification Committee activities.
- Prepared Food

As a reminder, January 1, 2017 is the deadline for the states to enact legislation, adopt a rule or provide other written guidance indicating if you are going to exclude the take and bake pizza type items from the definition of prepared food. After January 1, 2017, the default is going to be that these types of items fall into the definition of prepared food, consistent with the CRIC determination.
- Online Taxability Matrix and Certificate of Compliance
 - Second year for the online taxability matrix – results have been positive
 - Just switched the Certificate of Compliance over this year – thank you to the states for working through this transition with us.
 - Goal is to reduce the amount of time it takes you to prepare your annual compliance/recertification documents
 - Looking at putting together a "template" for states to consider using (not mandatory) for their recertification letter. The goal is to make sure the letter

contains all of the information required under the SSUTA and the proper certification statement.

- **2016 Spring SSTGB Meeting**
Craig Johnson reported that the spring 2016 SSTGB Meeting location has not been determined, however a save the date email will be sent to the email ListServs as soon as we have the contract in place.

- **Old Business**

None

- **New Business - Open Discussion**

None

- **Adjournment**

With no further business John Doyle motioned adjournment of the meeting which was approved on a voice vote. The SSTGB meeting adjourned at 11:24 AM EDT.