

A motion by South Dakota and Tennessee to amend the SSUTA relating to purchasers and state level administration:

REQUIREMENTS EACH STATE MUST ACCEPT TO PARTICIPATE

Section 301: STATE LEVEL ADMINISTRATION

A. Each member state shall provide state level administration of sales and use taxes subject to the Agreement. The state level administration may be performed by a member state's Tax Commission, Department of Revenue, or any other single entity designated by state law. Sellers and purchasers are only required to register with, file returns with, and remit funds to the state level authority. ~~Each~~ The state level authority of a member state shall provide for collection of any local taxes and distribution of them to the appropriate taxing jurisdictions. ~~Each member~~ The state level authority shall conduct, or ~~as approved by the Governing Board~~ may authorize others to conduct on its behalf, as provided in subsection B, all sales and use tax audits of the sellers and purchasers registered under the Agreement for that state's tax and the tax of its local jurisdictions. Except as provided herein, and local jurisdictions shall not conduct independent sales or use tax audits of sellers and purchasers registered under the Agreement.

B. If authorized by its state law, nothing in this section prohibits the state level authority from authorizing audits of taxpayers to be conducted or performed by others on behalf the state level authority so long as: (1) the person is conducting the audit for all sales and use taxes due and not just for taxes due to a specific local taxing jurisdiction, (2) the person is subject to the same confidentiality provisions (and other protections afforded to a taxpayer) as a person working for the state level authority, (3) the audit does not cover a period already audited by the state level authority or another person acting on its behalf unless there is fraud, a refund claim filed subsequent to the audit that covers part of the audit period, or mutual consent, and (4) the audit is subject to the same administrative and appeal procedures granted to audits conducted by the state level authority.