Welcome and Roll Call
Christie Comanita, (AZ) SLAC chair, opened the meeting. Twenty eight states were present as well as representatives from the Government Finance Officers Association and the U.S. Conference of Mayors.

Minutes
A motion was made to approve the minutes from the October 4, 2011 meeting. The minutes were approved by a unanimous voice vote.

Workgroup Reports

Credits
Craig Johnson, WI, reported that the workgroup would continue to meet every two weeks. The goal is to have an amendment ready by the September, 2012, Governing Board meeting in Utah. The workgroup has been able to identify issues where the states and business have reached an agreement on a position. However, there are still issues where a consensus position has not been reached either between states and business or among the states themselves. Craig indicated the rule may need to be adopted in sections to allow for continued work on issues where an agreement has yet to be reached.

Digital Sourcing
Tim Jennrich, WA, reported that the digital sourcing workgroup would continue to meet monthly. The workgroup has identified five issues related to the sourcing of specified digital products and two alternatives for several of the issues. Tim reminded the members that the rule will cover a minority of the sales as a majority of the sales are sourced to the address of the purchaser obtained from the payment document.

Discussion and vote on RP12004A01 and RP12005A01 – Sales Price rule on vouchers
Sherry Hathaway, TN, reported on the two rule proposals sponsored by Tennessee and Nebraska. Comments were made by most states on the issue. Richard Dobson, KY, commented the issue need more time for study. Jane Page, SD, also commented the issue was not ready for a vote. Bruce Johnson, UT, commented he supported states having options, although the concept of consideration is uncertain. Christie Comanita, AZ, commented Arizona would need to amend their law if the TN version of the rule is adopted. Tom Atchley, AR, commented he believes only the cash paid is the
“consideration”. Ellen Thompson, NE, commented there are two transactions involved with a voucher and the only transaction the state is placing a value on, for sales tax purposes, is when the voucher is redeemed by the retailer. Ellen further commented states should be allowed to treat transactions involving vouchers similar to transactions involving gift cards as the two instruments have contractual similarities. Paul Harper, MO, commented the rule is another hurdle states have to face to become a member. Harry Fox, NJ, commented while he supports recognizing the cash paid for the voucher as the consideration, he also supported states having options.

Christie Comanita, AZ, called for a vote on each proposal as to whether a state was prepared to vote “YES”; prepared to vote “NO”; or whether either rule was ready for a vote.

The results of the “show of hands” votes were:

YES on TN rule - 12
NO on TN rule -13

YES on NE rule – 8
NO on NE rule –18

The rules are not ready for a vote - 14

Christie Comanita will report the results of the voting to the Governing Board.

The meeting was adjourned.