

**State and Local Advisory Council
Annual Report to the Governing Board
September 2012**

I would like to thank President Russ Brubaker and the Executive Committee of the Governing Board (Executive Committee) for the opportunity to serve as the chair of the State and Local Advisory Council this past year. It has been a pleasure and a privilege.

I would also like to thank Ellen Thompson, vice-chair and the other members of the SLAC Steering Committee, the workgroup chairs and all other government and business representatives who contributed time and effort to work towards resolving some very difficult issues this year.

At the beginning of 2012, as a result of a survey sent to the states and input from the Business Advisory Council (BAC), the Executive Committee established a priority list of the major outstanding issues assigned to the State and Local Advisory Council (SLAC).

It takes organization, attention to detail, and compromise by all involved to find solutions that will work for everyone and I appreciate everyone's involvement.

Priority list:

- Credits for taxes paid to other states;
- Sourcing of digital products;
- "Sales price" in relation to payment vouchers and layaway fees
- Remote access to software

Item forwarded to the Governing Board for final consideration:

- "Sales price" in relation to payment vouchers and layaway fees
 - RP 12004A02
 - RP12013

In-Progress

1. Credit Issues – Craig Johnson, WI

Credit for tax paid in other states. The work group is working on the credit issue for both state tax and local tax and for both goods and services.

2. Sourcing of Digital Products – Tim Jennrich, WA

3. Remote Access to Software – Dan Noble, WY and Pat Calore, MI

This workgroup is just getting started.

4. Taxes on Communication Services – Bruce Johnson, UT

Determine which taxes are taxes on communication services in section 315.1. This workgroup has been put on hold until the language of the Federal legislation is finalized.

5. Sourcing Services – Allen Lynn, WA

Rules – Application of Sections 310.A and 311 to sourcing of services a.

Sourcing services with respect to tangible personal property

b. Sourcing of digital products

c. Sourcing services related to real property

d. Sourcing for other services not related to tangible personal property, real property or personal services

6. Essential Clothing – Christie Comanita, AZ

Christie Comanita
SLAC Chair