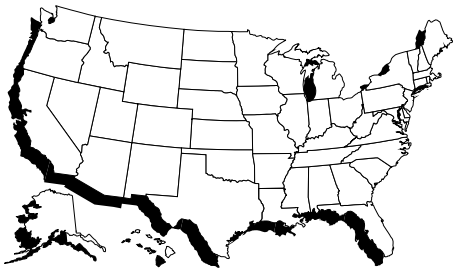

SST State and Local Advisory Council

State and Local Advisory Council

Annual Report to the Governing Board

October 2013

Steering Committee

Chrisite Comanita
Chair
Arizona

Tony Mastin
Vice-Chair
Oklahoma

Mike Bailey
GFOA
City of Renton, WA

Harry Fox
New Jersey

Tim Jennrich
Washington

Peter McVay
Rhode Island

Larry Paxton
Iowa

Ken Roberts
Idaho

Robert Scott
USCOM
Carrollton, TX

I would like to thank President Wayne Harper and the Executive Committee of the Governing Board 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 Tony Mastin, 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.

During 2013, SLAC held two in-person workgroup meetings in Dallas, TX and Des Moines, IA. These meetings were well received by both the States and business. I believe everyone who participated would agree it was time well spent.

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;
- Best Practices

Item forwarded to the Governing Board for final consideration:

- "Sales price" in relation to payment vouchers and layaway fees
  - RP 12004A02
  - RP12013
- Credit for taxes paid – Best Practice\Matrix

In-Progress

1. <u>Credit Issues – Ellen Thompson, NB and Jody Bartles, SD</u>

   Credit for tax paid to 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. 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.

4. Sourcing Services

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 – separate work group
c. Sourcing services related to real property
d. Sourcing for other services not related to tangible personal property, real property or personal services

5. Post-transaction issues

Business has asked that the treatment of the following be addressed separately on the taxability matrix:

- Restocking fees
- Layaway fees
- Shipping & handling fees

Christie Comanita
SLAC Chair