

A motion by Washington to amend Section 335 of the SSUTA as follows:

Section 335^[wc1]: ~~BEST PRACTICES~~ TAX ADMINISTRATION PRACTICES

~~A. For purposes of this section, “best practices” shall mean those practices as adopted by the governing board as the best practices in administration of the sales and use taxes in the member states regarding certain identified products, procedures, services, or transactions.~~

A. For purposes of this section, tax administration practices shall consist of any tax administrative practices that are selected as disclosed practices and best practices as defined in this paragraph:

- (1) Disclosed practice: a tax administrative practice that the governing board selects and requires each member state to disclose pursuant to paragraph B of this section; and
- (2) Best practice: a disclosed practice selected by the governing board as a best practice pursuant to paragraph C of this section.

B. The process by which the governing board will select a tax administrative practice for disclosure shall be as follows:

- (1) A majority vote of the entire governing board is required to approve a motion to select a tax administrative practice for disclosure. ~~adopt a best~~
- (2) The governing board shall provide public notice and opportunity for comment prior to voting on a motion to approve selection of a tax administrative practice for disclosure. ~~adopt best.~~
- (3) The procedures for developing a practice or practices for disclosure shall be applied consistent with the guidelines set forth in governing board Rule 335.

C. The process by which the governing board will select a best practice shall be as follows:

- (1) A three-fourths vote of the entire governing board is required to approve a motion to select a best practice. A best practice not receiving the required three-fourths vote of the entire governing board will remain a disclosed practice.
- (2) The governing board shall provide public notice and opportunity for comment prior to voting on a motion to approve selection of a best practice.

(3) The procedure for petitioning for a best practice or practices shall be applied consistent with the guidelines set forth in governing board Rule 335.

(4) Rule 335 shall include procedures that allow a state or member of the public to directly request that the SLAC evaluate whether a practice or practices under development for disclosure pursuant to paragraph B of this section should be selected as a best practice or practices. The procedures should seek to have the SLAC to the extent practicable complete the evaluation concurrently with development of practice or practices. If this procedure is followed and the SLAC has completed its evaluation under Rule 335, the Governing Board may proceed consistent with paragraph C.1 and C.2 of this section.

D. ~~Best Tax administration~~ practices adopted by the governing board shall be maintained in an Appendix to the Agreement.

E. ~~No member state~~ No member state Conformance by member states to best practices by the governing board shall be voluntary and no state shall be found not in compliance with the Agreement because the effect of the state's laws, rules, regulations, and policies do not follow a each of the ~~tax administration~~ practice s adopted by the governing board. Tax administration practices are voluntary; hHowever, all member states are encouraged to follow the best practices as much as possible.

F. States must complete the best ~~tax administration~~ practices ~~section of the taxability~~ matrix by the first day of the calendar month that is at least 30 days after the date the governing board ~~selects~~ approves a best-~~disclosed~~ practice and submit it to the ~~executive~~ director for posting on the governing board's website. For subsequent best disclosed practices that are selected approved by the governing board, the states must update their tax administration practice matrix by the first day of the calendar month that is at least 30 days after the date the governing board approves a new best disclosed practice and submit it to the Executive Director for posting on the governing board's website. The Streamlined executive director will make the necessary updates to the taxability template to reflect selected best practices at least 30 days after the date the governing board approves a motion to select the best practice^[wc2].

H. All practices existing as of XX XX, 2015 shall that had been approved previously will automatically become disclosed practices, and a disclosed practice may subsequently be modified or become a best practice following the provisions set forth in this section. The executive director of the governing board shall effectuate this change without changing any of the member states' responses.