Rule – 335 Tax Administration Practices Rule

A. **Purpose.** The intent of this procedural rule is to prescribe procedures applicable to the selection of tax administrative practices pursuant to Section 335 of the Agreement.

B. **Requests for Selection of a Disclosed Practice or Practices.** This paragraph describes the procedures applicable to the development of a practice or practices for disclosure pursuant to Section 335 of the Agreement.

   1. **Referral to the State and Local Advisory Council.** Pursuant to Section 335 of the Agreement, the Governing Board shall act on requests for selection of a practice or practices for disclosure brought by any member state or any other person in a manner prescribed in this rule. The Governing Board may choose to act or not to act on such a request. Where the Governing Board chooses to act on a request it will initiate the process by making a request of SLAC to develop a disclosed practice or practices. [Place holder for form number if applicable]. In consultation with the chair of the executive committee, nothing in this rule prevents the SLAC Chair from forming an informal workgroup to commence preparatory work on developing a potential practice or practices for disclosure prior to a formal Governing Board referral.

   4.2. **State and Local Advisory Council**

   a. Upon initiation of the process, the SLAC chair will provide public notice of the formation of a workgroup and will invite participation from all interested parties. SLAC will establish a workgroup comprised of interested state, local and business representatives who will, using expertise and assistance of the SLAC Steering Committee prepare a draft practice or practices for disclosure.

   b. The SLAC chair will provide the draft practice or practices for disclosure to SLAC delegates and the BAC with a reasonable opportunity for review, comment, and participation in continued development of the draft practice or practices.

   c. The SLAC chair will have sole discretion to call for formal final comments on draft practice or practices for disclosure from states, BAC and other interested parties. Notice of such call for final comment shall be in accordance with Rule 806.2. Final comments shall be submitted to the SLAC chair and vice chair within the specified time but in no case shall the period for submitting final comments be less than 20 days from the date of the notice for final comments on the draft practice or practices. SLAC will forward the draft practice or practices.
practices for disclosure to the governing board and finalize its recommendation to the fullest extent possible with respect to the draft practice or practices for disclosure.

d. A draft practice or practices for disclosure together with all written comments shall be presented to the governing board and placed on the agenda of the governing board for either a regular or a special meeting. At least thirty days notice to the member states and the public is required.

C. Requests for Selection of a Best Practice or Practices. This paragraph describes the procedures applicable to the selection of a best practice or practices pursuant to Section 335 of the Agreement.

1. A state or a person may petition the Governing Board to select a best practice or practices from among the disclosed practices selected by the governing board under Section 335 of the Agreement. Pursuant to Section 335 of the Agreement, the Governing Board shall act on request for selection of a best practice or practices brought by any member state or any other person in a manner prescribed in this rule. The Governing Board may choose to act or not to act on such a request. Where the Governing Board chooses to act on a request it will refer that the matter to SLAC to consider and vote on the proposal as provided within this Rule.

2. A state or person may also request the SLAC to evaluate whether a practice or practices, under development for disclosure pursuant to Section B of this Rule, should be selected as a best practice or practices.

3. The state or person bringing forth a request to the Governing Board or SLAC must submit a proposal (proposal) for the selection of a best practice or practices from among the practice or practices intended for disclosure or disclosed practice or practices, in writing and in electronic form, to the Executive Director. The proposal must indicate the reasons as to why the requestor believes a practice or practices should be designated as a best practice or practices.

4. Upon referral from the governing board or request directly to SLAC, the SLAC chair will schedule a meeting or meetings of the full SLAC with at least 30 days notice to consider the proposal and the SLAC chair will include the requestor’s proposal in the meeting notice. At the meeting or meetings, the SLAC chair will allow the requestor to present the proposal and will request comments from the member states and the public. With respect to requests made directly to SLAC, the SLAC chair will to the extent practicable, seek to complete the procedures under section C of this rule concurrent to the completion of the procedures set forth in section B of this rule.

5. Before concluding the full SLAC meeting or meetings in section C.4 of this rule, the SLAC chair will conduct a vote identifying the number of SLAC members that support the selection of a practice or practices as a best practice or practices.
6. The voting results together with all written comments shall be presented to the Governing Board and placed on the agenda of the Governing Board for either a regular or a special meeting. At least thirty days notice to the member states and the public is required.