

**State and Local Advisory Council
Business Meeting
October 6, 2014**

Welcome and Roll Call

Tim Jennrich (WA), SLAC Chair, opened the meeting. Twenty five states were present as well as a representative from the U.S. Conference of Mayors.

Recognition

Tim recognized the contributions of Bruce Johnson (UT) to the Streamlined organization. Bruce recently retired from the Utah State Tax Commission and has been an active participant since the inception of the organization.

Minutes

The minutes from SLAC's May 2014 meeting were presented for approval. Chad Paulson (MN) moved to approve the minutes. The minutes were approved on a unanimous voice vote.

Reports

Brief updates were provided on items discussed during the SLAC work session as follows: post transactions issues; the Implementation Committee's work on the voluntary exemption and services matrix, and the creation of a SLAC referral form to be used in establishing the scope of SLAC projects.

Proposed Amendments and Rules

Tim Jennrich will report to the Governing Board that SLAC has made progress on proposed amendments to existing Sections 328 and 335 of the Agreement, but that the SLAC will continue to work on the issues. No vote formal vote was taken on the proposed amendments.

Existing Section 335 provides a process for adopting what are referred to as best practices. Proposed amendments to Section 335 would create a process for first developing and selecting state-specific disclosed tax practices, and then a second process for selecting "best" practices from among the disclosed practices. Disclosed practices and best practices are collectively referred to as "tax administration practices." Member states would not be required to adopt any

tax administration practice, but would be required to disclose whether they follow the practice, and if they do not, what they follow.

Section 328 addresses liability relief for sellers and CSPs for information contained in the Taxability Matrix. The proposed amendments to Section 328 would extend liability relief to tax administration practices. Three alternatives for liability relief were discussed as follows: (1) full liability relief; (2) liability relief to the extent possible; or (3) liability relief only for best practices. It was discussed that some states may need to change their laws, depending on what liability relief alternative was adopted. Therefore, it was decided to seek additional guidance from the Governing before proceeding further with respect to the liability relief alternatives.

Tim Jennrich will report to the Governing Board that work continues on the proposed amendments to existing Sections 805 and 809 of the Agreement relating to compliance and sanctions. No vote formal vote was taken on the proposed amendments. The focus of the proposed amendments is to clean-up outdated language, make the process for sanctions and compliance clearer, reorganize, formalize existing practices, and support an efficient compliance review and sanction process.

Public Comment

Fred Nicely of the Business Advisory Council (BAC) reported that while no official position has been taken on the amendments related to Sections 328 and 335, he did indicate the liability relief alternative for only best practices was not likely viable.

Steering Committee Elections

The nominees for the SLAC Steering Committee were elected as slated. For 2015, the members of the Steering Committee will be Christie Comanita (AZ), Harry Fox (NJ), Alison Jares (SD), Matthew Bishop (IA), Tony Mastin (OK), Michael Bailey (GFOA), and Robert Scott (U.S. Conference of Mayors).

Announcements

Craig Johnson announced that the Executive Committee would be meeting on Tuesday morning, October 7, 2014. The first hour will be a closed session to address contract issues.

Adjournment

Victoria Daniels (IA) moved to adjourn the meeting. The motion passed with a unanimous voice vote.

