

## **GB/State Responsibilities Under SSUTA and CSP Contract**

### **Section 501 of SSUTA**

The governing board shall certify automated systems and service providers to aid in the administration of sales and use tax collections.

The governing board may certify a software program as a CAS if the governing board determines that the program meets all of the following requirements...It determines whether or not an item is exempt from tax...

### **Section 502 of SSUTA**

Each member state shall review software submitted to the governing board **for certification** as a CAS under Section 501. **Such review shall include a review to determine that the program accurately reflects the taxability of the product categories included in the program...**

Each member state shall relieve CSPs and model 2 sellers from liability to the member state and local jurisdictions for not collecting sales or use taxes resulting from the CSP or model 2 seller **relying on the certification provided by the member state.**

The governing board and the member states shall not be responsible for classification of an item or transaction within the product categories certified.

If a member state determines that an item or transaction is incorrectly classified as to its taxability, it shall notify the CSP or model 2 seller of the incorrect classification. The CSP or model 2 seller shall have ten (10) days to revise the classification after receipt of notice from the member state of the determination. Upon expiration of the ten (10) days, CSP or model 2 seller shall be liable for the failure to collect the correct amount of sales or use taxes due and owing to the member state.

### **Rule 501.6 – Acceptance requirements for automated systems**

...The CAS determines whether or not an item is exempt from tax...

### **Section E.3(a) of the CSP Contract**

In accordance with the SSUTA, each Member State, Contingent Member State and Associate Member State **shall review and certify that the CAS utilized by the Contractor accurately reflects the taxability of the product categories** included in the CAS in accordance with each state's law...

### **Rule 317.1.C**

#### **C. Systems Related Issues**

##### **1. Default rules for coding the taxability of products.**

a. Sellers, Certified Service Providers (CSP's), and Model 2 Automated Systems (CAS's) shall code all products that are tangible personal property as taxable unless a member state has specifically exempted or excluded the product from its tax base.

b. Sellers, CSP's, and CAS's shall code all services sourced to member states that enumerate taxable services as exempt unless a member state has specifically enumerated the service as a taxable service.

c. Sellers, CSP's, and CAS's shall code all services sourced to member states that tax services in the same manner as tangible personal property as taxable unless a member state has specifically exempted or excluded the service from its tax base.

**Section E.3(b) of the CSP Contract**

The Contractor shall have ten (10) business days after the date of notification by a Member State, Contingent Member State or Associate Member State to revise the CAS to conform with changes to: the tax rates, boundaries, or taxing jurisdiction assignments which have been listed in the state's rates and boundaries databases; the taxability matrix provided by the Member State, Contingent Member State or Associate Member State pursuant to Section 328 of the SSUTA; **and the classification of the taxability of a category of items or transactions pursuant to Section 502 of the SSUTA...**

**Section E.3(b) of the CSP Contract**

The Governing Board, Member States, Contingent Member States and Associate Member States **are not responsible for mapping**, which is defined as classification of an item or transaction within a certified category.

**Section E.4(b) of the CSP Contract**

If a Contractor adds additional product categories to its CAS after its initial certification by the Member States, Contingent Member States and Associate Member States, the Member States, Contingent Member States and Associate Member States shall have until the first day of the calendar month that is at least 30 days from the date Testing Central notifies the Member States, Contingent Member States and Associate Member States of the Contractor's request **to certify the proposed sales and use tax treatment of these new product categories.**