

Explanation of Product Categories

CSPs would individually submit proposed product categories for certification to the Governing Board's Testing Central for distribution to the appropriate state.

These product categories and taxability determinations would be considered as proprietary information for each CSP.

CSPs would only create the number of categories and subcategories necessary to accurately reflect the taxability of the items in question and would only submit to an individual state the product categories and subcategories that are applicable to that state.

Exempt groupings of items that require the seller or purchaser to provide additional documentation are not allowed as product categories or subcategories.

Example 1: Seeds

State A-

- Seeds are taxed under TPP imposition statute.
- No specific exemptions related to seed.
- No need to submit product category to State A.
- Liability relief would be provided to the CSP through the general certification of the software.

Product Category	Product Subcategory	Taxability
Seed		Taxable
	Ag Producer 25#s or >	Taxable
	Ag Producer 100#s or >	Taxable
	Ag Use	Taxable

Explanation of Product Categories

State B-

- Seeds are taxed under TPP imposition statute.
- Seeds sold to an agricultural producer at 25#s or greater are exempt.
- No exemption certificate or other documentation is required.
- CSP would submit to State B a product category for “Seed” and subcategory for “Seed sold to an agricultural producer at 25#s or greater”.
- Taxability rules for other Seed subcategories would not be submitted to State B.
- Liability relief would be provided to the CSP upon completion of the review of the submitted product category and subcategories or at the end of the allowable time period for review.

Product Category	Product Subcategory	Taxability
Seed		Taxable
	Ag Producer 25#s or >	Exempt
	Ag Producer 100#s or >	Exempt
	Ag Use	Taxable

State C-

- Seeds are taxed under TPP imposition statute.
- Seeds sold to an agricultural producer at 100#s or greater are exempt. No exemption certificate is required.
- CSP would submit to State C a product category for “Seed” and subcategory for “Seed sold to an agricultural producer at 100#s or greater”.
- Taxability rules for other Seed subcategories would not be submitted to State C.
- Liability relief would be provided to the CSP upon completion of the review of the submitted product category and subcategories or at the end of the allowable time period for review.

Explanation of Product Categories

Product Category	Product Subcategory	Taxability
Seed		Taxable
	Ag Producer 25#s or >	Taxable
	Ag Producer 100#s or >	Exempt
	Ag Use	Taxable

State D-

- Seeds are taxed under TPP imposition statute.
- Seeds sold for agricultural use are exempt. No exemption certificate or other documentation is required.
- CSP would submit to State D a product category for “Seed” and subcategory for “Seed for agricultural use”.
- Taxability rules for other Seed subcategories would not be submitted to State D.
- Liability relief would be provided to the CSP upon completion of the review of the submitted product category and subcategories or at the end of the allowable time period for review.

Product Category	Product Subcategory	Taxability
Seed		Taxable
	Ag Producer 25#s or >	Taxable
	Ag Producer 100#s or >	Taxable
	Ag Use	Exempt

State E

- Seeds are taxed under TPP imposition statute.
- Seeds sold for agricultural use are exempt. An exemption certificate or other documentation is required.
- This would not be allowed as a product subcategory.