

**PROPOSED AMENDMENT BY THE STATE OF UTAH REGARDING
SSUTA § 312 (MULTIPLE POINTS OF USE)**

Explanation of the proposed amendment:

On April 16, 2005, the Governing Board adopted certain amendments to Streamlined Sales and Use Tax Agreement, Section 312, MULTIPLE POINTS OF USE. The motion approving those amendments required each member state to comply with the amendments “no later than January 1, 2008.” It was clearly contemplated that a state would be in compliance with Section 312 until January 1, 2008, if it had adopted either the original Section 312 or the amended Section 312.

Various States and members of the business community have raised questions on the proper application of Section 312. Utah believes there is a general consensus that further clarification of the Section is appropriate and that further amendments may be necessary. Utah believes it is unwise to require state legislatures to enact any changes to the Multiple Points of Use provisions of their state laws until these questions are addressed. Accordingly, Utah proposes the following motion:

Proposed amendment:

“A member state may comply with the April 16, 2005 amendments to Section 312 at any time. No member state, however, shall be required to comply with the April 16, 2005 amendments to Section 312, until further action of the Governing Board.”

Effect of the amendment:

Those states that enacted Section 312 in its original form will continue to be in compliance with the Agreement. Those states that have incorporated the amendments in their law will also be in compliance. It is contemplated that any “further action of the Governing Board” will be prospective only and will give states sufficient time to enact any necessary legislative changes.

Procedure:

Utah does not believe that the specific language of the Agreement needs to be amended at this time. Utah does contemplate that the Compiler’s notes will need to be amended to reflect adoption of the motion. Utah also anticipates that the “effective date” language added by the Compiler to the caption of both original and amended Section 312 will need to be clarified.

Although the specific language of the Agreement need not be changed, Utah does believe the indefinite extension of the effective date is a substantive amendment to the Agreement that must be approved in accordance with Section 901.

