A motion by Utah and Kansas to amend the direct mail sourcing rules in the Agreement:

Section 313. Direct Mail Sourcing

Section 313: DIRECT MAIL SOURCING

A. Notwithstanding Section 310, a purchaser of direct mail that is not a holder of a direct pay permit shall provide to the seller in conjunction with the purchase either a Direct Mail Form Certificate of Exemption or information to show the jurisdictions to which the direct mail is delivered to recipients.

1. Upon receipt of the Direct Mail Form Certificate of Exemption, the seller is relieved of all obligations to collect, pay, or remit the applicable tax and the purchaser is obligated to pay or remit the applicable tax on a direct pay basis. A Direct Mail Form Certificate of Exemption shall remain in effect for all future sales of direct mail by the seller to the purchaser until it is revoked in writing.

2. Upon receipt of information from the purchaser showing the jurisdictions to which the direct mail is delivered to recipients, the seller shall collect the tax according to the delivery information provided by the purchaser for those jurisdictions where the purchaser is required to register for use tax as indicated by the purchaser. In the absence of bad faith, the seller is relieved of any further obligation to collect tax on any transaction where the seller has collected tax pursuant to the delivery information provided by the purchaser.

B. If the purchaser of direct mail does not have a direct pay permit and does not provide the seller with either a Direct Mail Form Certificate of Exemption or delivery information, as required by subsection (A) of this section, the seller shall collect the tax according to Section 310, subsection (A)(5). Nothing in this paragraph shall limit a purchaser’s obligation for sales or use tax to any state to
which the direct mail is delivered. Sales tax remitted on the sale is creditable against use tax due on the distribution.

C. If a purchaser of direct mail provides the seller with documentation of direct pay authority, the purchaser shall not be required to provide a Direct Mail Form Certificate of Exemption or delivery information to the seller.

D. List services provided or accessed electronically for use in direct mail are sourced to the seller’s location. When sold by a list vendor, the seller’s location may be the location of the server or other site where the list database is maintained. When sold by a printer or service provider, the seller’s location is the location where the direct mail is addressed.