

A motion by Tennessee to amend Section 309 relating to application of Section 310 and 310.1 sourcing for florists' wire sales after federal legislation:

Section 309: APPLICATION OF GENERAL SOURCING RULES AND EXCLUSIONS FROM THE RULES

A. Each member state shall agree to require sellers to source the retail sale of a product in accordance with Section 310. The provisions of Section 310 apply regardless of the characterization of a product as tangible personal property, a digital good, or a service. The provisions of Section 310 only apply to determine a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's retail sale of a product. These provisions do not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions of that use.

B. Sections 310 and 312 do not apply to sales or use taxes levied on the following:

1. The retail sale or transfer of watercraft, modular homes, manufactured homes, or mobile homes. These items must be sourced according to the requirements of each member state.
2. The retail sale, excluding lease or rental, of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment, as defined in Section 310, subsection (D). The retail sale of these items shall be sourced according to the requirements of each member state, and the lease or rental of these items must be sourced according to Section 310, subsection (C).
3. Telecommunications services and ancillary services, as set out in Section 315, and Internet access service shall be sourced in accordance with Section 314.
4. Until the first day of a calendar quarter at least sixty days after the date member states are authorized by federal legislation to require remote sellers without nexus to pay or collect sales and use taxes December 31, 2009, florist wire sales as defined by each member state. Prior to this date, these items must be sourced according to the requirements of each member state. After such date, each member state shall source florist wire sales in the same manner as it sources other sales of tangible personal property under either section 310 or section 310.1 of this Agreement. As used in this paragraph, "florist wire sales" mean sales in which an order that is taken from the customer by one retail florist and then transmitted to another retail florist in the same or another state to be filled and delivered.