

A motion by Oklahoma relating to taxes on communication services:

- A. For taxes on communications services, a Member State must provide and maintain a single statewide database containing applicable rates and jurisdictional boundaries and a taxability matrix. The databases and matrix shall be in a format approved by the Board. Except where prohibited by a member state's constitution, a member state and any taxing jurisdiction within such member state shall relieve a seller of communications services from liability for taxes on communications services and any applicable interest to such jurisdiction for having failed to pay the correct amount of tax as a result of erroneous information in the database and matrix required to be maintained under this subsection.
- B. A Member State shall not be required to comply with the provisions subsections C through E of this section in order to meet the requirements for Member State status under the Agreement. A Member State or a Non-member State may petition the Governing Board to have the Governing Board determine that it complies with the provisions of this Section for each type of tax on communications services.
- C. Except as specifically otherwise provided in subsection C of this section, the provisions of the Agreement and the Library of Definitions shall apply separately to each type of other tax on communications services in the same manner and to the same extent as such provisions and definitions apply to sales and use taxes.
 - 1. Presence of some or all of the following factors are indications that separate taxes are not "one type of tax" for purposes of this section.
 - a. The taxes under consideration are imposed pursuant to separate statutes with distinct and separate authority.
 - b. The taxes under consideration are adopted or authorized by separate votes of the people.
 - c. The taxes under consideration are not applied to the same base.
 - d. The taxes under consideration are not imposed on the same products or services.
 - e. The taxes under consideration are not expended for the same purpose.
- D. The following are exceptions to the application of the Agreement and the Library of Definitions to each type of other tax on communications services.
 - 1. When a provision of the Agreement or Library of Definitions, excluding Article III, is clearly not applicable to such taxes as determined by a three fourths vote of the Governing Board.
 - 2. In applying the requirements of Subsection (B) to other taxes on communications services, the following modifications shall apply:
 - a. The requirement in Section 301 for a member state to provide state level administration of sales and use taxes is modified to allow a designated agent to provide for the administration of each type of other tax on communications services.
 - b. The requirement of Section 318 for one uniform return for each state and all the local taxing jurisdictions within the member state for sales and use

taxes is modified to provide that there shall be one State-specific uniform return for each type of other tax on communications services.

- c. The requirement for tax base uniformity in Section 302 of the Agreement shall apply to each type of other tax on communications services within a state, but shall not be construed to require that the tax base for each type of other tax on communications services must be identical to the tax base for sales and use taxes imposed on communications services. In addition, if a state does not impose a particular type of tax on other communications services that is imposed by more than one local taxing jurisdiction in such state, Section 302 shall be construed to require that all local taxes have the same tax base.
- d. The requirement of Sections 302 and 401 for a centralized registration system for sales and use taxes is modified to permit a centralized, one-stop registration system at the state-level for taxes administered solely within the state. Sellers shall also be allowed to register directly with localities.
- e. The provisions of Section 806 of the Agreement relating to joint audits are clarified to provide that sellers may not request that audits on other taxes on communications services be conducted jointly by more than one state.
- f. The requirements for states to provide compensation to sellers shall be modified as follows: _____.

E. The term `communications services' includes the following:

- 1. Telecommunications services as defined in Part II of the Library of Definitions; or
- 2. Video programming services - the offering, transmission, conveyance or routing of radio and television audio and video programming services for purchase by subscribers or customers, regardless of the medium, technology or method of display, including the furnishing of transmission, conveyance and routing of such services by the video programming distributor. This clause (ii) shall include, but not be limited to, "cable service" as defined in 47 U.S.C. § 522(6), interactive on-demand service as defined in 47 U.S.C. § 522(12), the provision of "video programming" by a "multichannel video program distributor" as defined in 47 U.S.C. § 522(20), (13), and the distribution of audio and video programming by providers of "commercial mobile radio service" as defined in 47 C.F.R. § 20.3, when such services are offered for purchase by subscribers or customers of such service; and
- 3. Ancillary services as defined in Part II of the Library of Definitions.