

A motion by Oklahoma to amend Section 609 of the SSUTA relating to vendor compensation:

Section 609: OBLIGATION TO PAY

A. For purposes of this section the term “small remote seller” shall mean a new remote seller which has gross national remote sales of no more than five million dollars (\$5,000,000.00) as calculated pursuant to Section 610 of this Agreement and shall include sellers which would be “new remote sellers” but for the fact that they had gross national remote sales of less than five hundred thousand dollars (\$500,000.00) as calculated pursuant to Section 610 of this Agreement.

B. Member states shall begin paying compensation to a “new remote seller” upon submission of the seller’s initial return filed after the effective date of the member state’s authorization for compensation that meets the standards of Section 608. Notwithstanding the rates of compensation established by a member state pursuant to Section 608, compensation paid to a “new small remote sellers seller” may elect to receive for a six months period beginning with the first month that such sellers collect a Member State’s tax shall be calculated based on the following rates: Rate 1 shall be three percent (3%), rate 2 shall be one and one half percent (1.5%) and rate 3 shall three fourths of one percent (0.75%) twenty percent (20%) of the tax collected and due(except for the compensation amount to be retained by the small remote seller) to a state in a month not to exceed compensation of eighty-five dollars (\$85.00) in any month in lieu of compensation calculated using the rates of compensation established by a member state pursuant to Section 608. Such election shall be for a six month period beginning with the first month that such seller collects a member state’s tax. After such six month period, the rates used to calculate compensation for such sellers seller shall be those rates established by the member state pursuant to Section 608. The increased amount of compensation allowed by this subsection shall be available to “small remote sellers” which begins collecting tax for a member state within the first 12 months following the date of the member state’s authorization for the collection of taxes on remote sales.

A seller subsequently found not to meet the qualifications of a “~~new~~ small remote seller” may be denied and assessed, including any applicable penalties and interest, for any compensation it was not qualified to claim.

The provisions of this section shall apply to each state which is currently a full member of the Agreement and to each state which becomes a full member of the Agreement after the adoption of this amendment.

~~B.~~ C. If a member state determines that a “new remote seller” had previously been registered in that state, compensation for that seller may be delayed until the state is required to pay compensation for all “in-state sellers” as set forth in ~~subdivision 3~~ Subsection D of this Section 609.

~~C.~~ D. A member state shall elect one of the following methods (Option 1, Option 2, or Option 3) for commencing payment of compensation for “in-state sellers” or “new remote sellers” previously registered in that state.

1. Option 1. Pay “in-state sellers” and “new remote sellers” previously registered in that state when tax collections from “new remote sellers” reaches the dollar threshold established by the following method:

- a) A state utilizing this option shall track and report its total collections from “new remote sellers to the governing board.
- b) When the amount of monthly collections received from such sellers for each of four consecutive months occurring sometime after the date remote seller collection authority began meets or exceeds the amount that would be required to pay the approved average monthly level of compensation for all other sellers, then compensation will be due and owing beginning the first day of the following quarter and thereafter for all sellers.
- c) In a state that is already compensating its sellers, only the difference above the currently paid amount and the amount that would be required to pay the approved average monthly level of compensation for all other sellers will be required to accumulate before implementing the approved compensation.

2. Option 2. Begin paying “in-state sellers” and “remote sellers” that had been previously registered in that state on the next return remitted fifteen months following the grant of collection authority.

3. Option 3. Continue paying compensation to all the sellers previously receiving such payment as long as such compensation meets the requirements of this section.

~~D.~~ E. A member state that does not receive sufficient sales and use tax collections from remote sellers to justify the state’s continued participation may notify the governing

board that its remote collection authority should expire and may terminate its obligation to pay compensation at the governing board-approved rate. A member state which exercises this option shall give not less than 60 days' notice of its intent to relinquish remote collection authority.