

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

**Section 609: OBLIGATION TO PAY**

A. 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 “new remote sellers” 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%).~~ After such six month period, the rates used to calculate compensation for such sellers shall be those rates established by the member state pursuant to Section 608.

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

B. 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 of Section 609.

C. A member state shall elect one of the following methods (Option1, 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. 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.