

A motion by Washington to amend Section 335 of the SSUTA as follows:

Section 335: ~~BEST PRACTICES~~ TAX ADMINISTRATION PRACTICES

~~A. For purposes of this section, “best practices” shall mean those practices as adopted by the governing board as the best practices in administration of the sales and use taxes in the member states regarding certain identified products, procedures, services, or transactions.~~

A. For purposes of this section, tax administration practices consist of the following, as defined in this paragraph:

- (1) Disclosed practice: a tax practice that the governing board selects and requires each member state to disclose pursuant to paragraph B of this section; and
- (2) Best practice: a disclosed practice selected by the governing board as a best practice pursuant to paragraph C of this section.

B. The governing board will select a disclosed practice using the following procedures:

- (1) SLAC shall develop a practice for disclosure pursuant to the guidelines set forth in governing board Rule 335.
- (2) The governing board shall provide public notice and opportunity for comment prior to voting on a motion to approve selection of a tax practice for disclosure adopt a best practice.
- (3) A majority vote of the entire governing board is required to approve a motion to select a tax practice for disclosure. ~~adopt a best practices standard.~~

C. The governing board will select a best practice using the following procedures:

- (1) SLAC shall develop a best practice pursuant to the guidelines set forth in governing board Rule 335 only from among the disclosed practices or from tax practices in concurrent development under Subsection B.1.
- (2) The governing board shall provide notice and opportunity for public comment prior to voting on a motion to approve selection of a best practice.
- (3) A three-fourths vote of the entire governing board is required to approve a motion to select a best practice. A best practice not receiving the required three-fourths vote of the entire governing board will remain a disclosed practice.

~~D. C. Best Tax administration practices adopted by the governing board shall be maintained in an Appendix to the Agreement.~~

E. No member state shall be found out of compliance with the Agreement because the effect of the state’s laws, rules, regulations, and policies does not follow a tax

administration practice. Following a tax administration practice is voluntary. All member states are encouraged to follow each best practice. D. Conformance by member states to best practices adopted by the governing board shall be voluntary and no state shall be found not in compliance with the Agreement because the effect of the state's laws, rules, regulations, and policies do not follow each of the best practices adopted by the governing board. However, all member states are encouraged to follow the best practices as much as possible.

F. Each state must complete and submit to the Executive Director for posting on the governing board's website the tax administration practices section of the taxability matrix (1) by the first day of the calendar month that is at least 60 days after the date the governing board selects a disclosed practice for disclosure or (2) the date specified by the Governing board, whichever is later. -E. States must complete the best practices matrix by the first day of the calendar month that is at least 30 days after the date the governing board approves a best practice and submit it to the Executive Director for posting on the governing board's website. For subsequent best disclosed practices that are selected approved by the governing board, the states must update their tax administration practice matrix by the first day of the calendar month that is at least 30 days after the date the governing board approves a new best disclosed practice and submit it to the Executive Director for posting on the governing board's website.

G. With respect to best practices, the Executive Director will make the necessary updates to the taxability matrix template for best practices no later than 30 days after the date the governing board approves a motion to select the best practice consistent with existing procedure for updating the taxability matrix.

H. All best practices existing as of May 11, 2015 shall automatically become disclosed practices. A disclosed practice may subsequently be modified or become a best practice following the provisions set forth in this section. The Executive Director shall implement this provision without changing any of the member states' responses.