Motion by Washington and Wisconsin to adopt the following disclosed practices to Appendix E of the SSUTA related to liability relief for erroneous information and changes to the tax administration practices section of the taxability matrix and changes to the library of definitions section of the taxability matrix.

APPENDIX E

LIBRARY OF TAX ADMINISTRATION PRACTICES

Disclosed Practice Number 1 – Vouchers (Adopted October 29, 2013)

This document is limited to the specific types of transactions described herein.

As used herein, a voucher is an instrument that is…….

Disclosed Practice Number 2 - Tax Credits (Adopted May 15, 2014)

Term definitions for use in this Appendix

A. "**Product**" includes tangible personal property, a digital good or product transferred electronically, or a service…….

Disclosed Practice Number 3 – Liability Relief

These tax administration practices address whether a member state provides liability relief when the state is only required to provide relief "to the extent possible," as specified in section 328(C) and (D) of the Agreement.

Disclosed Practice 3.1 – Liability relief for erroneous information in the tax administration practices section of the taxability matrix

The State provides sellers and CSPs with liability relief for tax, interest and penalties if the sellers and CSPs charged and collected the incorrect tax due to erroneous information in the tax administration practices section of the taxability matrix.

Example 1: A state indicates when completing its tax administration practice for vouchers that it complies with voucher practice 1.1 and does not include the discount provided by the voucher as part of the sales price. The state subsequently amends its response to indicate that it does include the discount provided by the voucher as part of the sales price. Sellers and CSPs that relied on that response before the state changed its response would not be liable for any additional tax, interest or penalties relating to this practice.

Disclosed Practice 3.2 – Extended liability relief for changes to the tax administration practices section of the taxability matrix

Motion by Washington and Wisconsin to adopt the following disclosed practices to Appendix E of the SSUTA related to liability relief for erroneous information and changes to the tax administration practices section of the taxability matrix and changes to the library of definitions section of the taxability matrix.

When the State makes a change to its tax administration practice section of the taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the state's tax administration practices section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.

Example 2: Same as Example 1 and assume the change to tax administration practices section of the member state's taxability matrix is made on May 15th. Sellers and CSPs would not be liable for any additional tax, interest, or penalty in reliance on the prior version of the taxability matrix until July 1st.

Disclosed Practice 3.3 – Extended liability relief for changes to the library of definitions section of the taxability matrix

When the State makes a change to the library of definitions section of its taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the member state's library of definitions section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.

Example 3: A state indicates when completing its library of definitions section of the taxability matrix that it does not impose tax on durable medical equipment. The state subsequently amends its response on May 15th to indicate that tax is imposed on durable medical equipment without a prescription. Sellers and CSPs will not be liable for any additional tax, interest, or penalty if it relied on the prior version of the taxability matrix until July 1st.