Section 327: LIBRARY OF DEFINITIONS

Each member state shall utilize common definitions as provided in this section. The terms defined are set out in the Library of Definitions, in Appendix C of this Agreement. A member state shall adhere to the following principles:

A. If a term defined in the Library of Definitions appears in a member state’s sales and use tax statutes or administrative rules or regulations, the member state shall enact or adopt the Library definition of the term in its statutes or administrative rules or regulations in substantially the same language as the Library definition.

B. A member state shall not use a Library definition in its sales or use tax statutes or administrative rules or regulations that is contrary to the meaning of the Library definition.

C. Except as specifically provided in Sections 316 and 332 and the Library of Definitions, a member state shall impose a sales or use tax on all products or services included within each Part II or Part III(B) definition or exempt from sales or use tax all products or services within each such definition. Provided, the requirements of this subsection shall only apply to Part III(B) definitions to the extent that such definitions are used in the administration of a sales tax holiday.

Compiler’s note: The Governing Board issued an interpretation of Section 327C on August 29, 2006. That interpretation can be found in the Library of Interpretations.

Compiler’s note: On September 5, 2008 Section 327C was amended by adding “and 332” in the first line; by adding “Part II or Part III(B)” after “each” in line three; by adding “such” after “each” in line four; and by adding the last sentence. This amendment became effective upon its adoption.