

**A motion by Kentucky and South Dakota to amend Article III of the Streamlined Sales and Use Tax Agreement**

**Section 336. Tax Treatment of ~~Authorization~~Redemption Codes**

A. The tax treatment of an “~~authorization~~redemption code” shall be the same as the tax treatment of the product or service to which the “~~authorization~~redemption code” relates.

B. An “~~authorization~~redemption code” means a code, which provides a purchaser with a right to obtain one or more products or services having the same tax treatment.

C. An “~~authorization~~redemption code” may be obtained by any means including transferred electronically such as email or text or by tangible medium.

D. An “~~authorization~~redemption code” does not include:

1. gift certificates or gift cards that represent a monetary value,
2. vouchers and discount coupons issued, marketed, or distributed by a third party for less than face value of the voucher or coupon,
3. a code that provides a purchaser with a right to obtain products or services having different tax treatments,
4. transfers where the provider of the product or service bills or charges the holder of the ~~authorization~~redemption code at the time the product or service is provided or delivered to the holder of the ~~authorization~~redemption code,
5. a code that represents the sale of a prepaid wireless calling service, as defined in Section 315, or
6. a “digital code” as defined in Section 332.G. of the Agreement.

E. A member state shall consider the retail sale of the “~~authorization~~redemption code” as the retail sale of the products or services.

F. These provisions do not affect the obligation of a purchaser or lessee to remit tax on the use of the product or service to the taxing jurisdictions of that use.

G. Sellers shall apply the tax treatment for “~~authorization~~redemption codes” to all products and services.

H. Sections 332 and 333 do not apply to sales of ~~authorization~~redemption codes.