



100 Majestic Drive, Suite 400 • Westby, WI 54667

State and Local Advisory Council Request and Assignment Form

Provide the name(s) and contact information of the state or parties submitting the Request.

Date: 11/29/2021

Name of State or Person(s) submitting request: Craig Johnson on behalf Sen. Caryn Tyson (KS)

Contact Person: Christie Comanita

Address:

Phone: 480-653-7113

Email: christie.comanita@sstgb.org

1. Agreement Section(s), Rules or Tax Administration Practice(s) involved (if any). (Identify the section(s) of the Streamlined Sales and Use Tax Agreement, the Streamlined Rules, or Tax Administration Practices, if any, which are affected or involved with the issue.)

Definition of sales price in Appendix C, Part I of the Library of Definitions, Administrative Definitions

2. Question, Issue, or Topic for discussion. (Identify the question, issue, or topic you believe requires a study or resolution by SLAC.)

Should an amendment to the Agreement to give states the option to exclude manufacturer’s coupons from the sales price for tax computation be adopted?

3. Statement of Background Facts. (Provide a detailed description of the issue and supporting facts. Please be as descriptive as possible and provide examples of actual transactions.)

Currently, “Sales price” is defined in the Agreement to specifically include manufacturer coupons.

“Sales price” **shall include** consideration received from third parties if:

- A. The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;
- B. The seller has an obligation to pass the price reduction or discount through to the purchaser;
- C. The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and
- D. One of the following criteria is met:
 - 1. The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon, certificate or documentation is authorized, distributed or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;
 - 2. The purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount (a “preferred customer” card that is available to any patron does not constitute membership in such a group), or
 - 3. The price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser.

States may also exclude from “sales price” either employee discounts that are reimbursed by a third party on sales of motor vehicles, or manufacturer rebates on motor vehicles, or both.

Kansas would like to propose to amend the definition to allow the states an option to exclude manufacturer’s coupons from the sales price for tax computation.

4. Proposed Resolution/Outcome/Solution. (Provide a description of the anticipated outcome from the workgroup. For example: Development of an interpretive rule pertaining to Section XXX of the Agreement.)

SSTGB will approve an amendment to the SSUTA to amend the existing toggle for discounts that are reimbursed by a third party on sales of motor vehicles and manufacturer rebates on motor vehicles to add “manufacturer coupons.”

“Sales price” **shall include** consideration received from third parties if:

- A. The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;
- B. The seller has an obligation to pass the price reduction or discount through to the purchaser;
- C. The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and
- D. One of the following criteria is met:
 - 1. The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon, certificate or documentation is authorized, distributed or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;
 - 2. The purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount (a “preferred customer” card that is available to any patron does not constitute membership in such a group), or
 - 3. The price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser.

States may ~~also~~ exclude from “sales price” either employee discounts that are reimbursed by a third party on sales of motor vehicles, ~~or~~ manufacturer rebates on motor vehicles, ALL MANUFACTURER COUPONS, or ALL THREE. For purposes of this exclusion, manufacturer coupons are coupons authorized by a third party presented by the purchaser to the seller to claim a price reduction or discount and upon which the seller will receive reimbursement from the third party for the price reduction or discount allowed.

Submit completed form to:

Craig Johnson, Executive Director
Streamlined Sales Tax Governing Board
100 Majestic Dr., Suite 400
Westby, WI 54667

Email: Craig.Johnson@SSTGB.org
Phone: 608-634-6160
www.streamlinedsalestax.org

For SST Governing Board Use

Approved by: **Date:**

Approved with Modifications (If the Governing Board determines the request will be addressed by SLAC but in a

modified format, explain the modifications to the request here):

[Click here to enter text.](#)

Denied by: [Click here to enter name.](#) **Date:** [Click here to select a date.](#)

Form F0021 Instructions

The scope of work for the State and Local Advisory Council (SLAC) is to advise the Governing Board on matters pertaining to the administration of the Streamlined Sales and Use Tax Agreement (Agreement). Matters relating to noncompliance of members with the Agreement, interpretive rules clarifying Agreement language, and revisions or additions to the Agreement are all within the scope of a SLAC work assignment. This form, as submitted by a requestor, is a public document and shall be published on the Streamlined Governing Board's website.

Any state and person making a request for a SLAC work assignment must do so by completing the **SLAC REQUEST & ASSIGNMENT FORM** and submitting it to the Executive Director of the Streamlined Sales Tax Governing Board. The Governing Board will take up the request at its next scheduled meeting or as applicable the SLAC Chair will take up the request at the next SLAC Steering Committee meeting. Any decision by the SLAC Steering Committee shall be reported to the Governing Board at its next meeting. In the interim, a request approved by the SLAC Steering Committee can be assigned to a SLAC workgroup. The Governing Board may approve, deny or modify the request at any time.

The Governing Board is not required to use this form to refer matters to SLAC. If the Governing Board refers an item to SLAC without use of this form, the Governing Board should provide written guidance to the SLAC Chair as to the expectations regarding the assigned task.

(Note: States or other persons requesting an interpretive opinion of existing Agreement provisions or definitions should not use this form but should instead complete and submit the **INTERPRETATION/ DEFINITION REQUEST** form.)