



Streamlined Sales Tax Executive Committee Meeting Minutes
Friday, January 10, 2020, 10:00 am central
Teleconference

Call to Order and Roll Call

President Jennrich called the meeting to order at approximately 10:00 am central. The roll of the Committee was called. Present were Tim Jennrich (WA), Diane Hardt (WI), Representative Tim Reed (SD), Assemblywoman Dina Neal (NV), Michael Walsh (NE), Senator Wayne Harper (UT) Representative Kennedy (RI) and Senator Ann Rest (MN). Absent were Clark Jolley (OK) and Tom Atchley (AR). Eight of ten members were present, so a quorum was established.

Others on the call included Blaine Kreikemeier, Dwight Cook, Dana Angell, Guy Childers, Richard Dobson, Ed Strickland, Lisa Haws, Rachel Williams, Katie Jenkins, Alison Jares, Dave Matelski, Tim Bennett, Megan Martin, Chad Paulson, Fred Nicely, Derek Drinkwater, Katie Smethurst, Paul Williams, Michael Bologna and Scott Peterson.

Review and approve minutes from December 9, 2019 Executive Committee Meeting (EM19007)

President Jennrich asked for comments on the December 9th minutes. None were received. Representative Kennedy motioned to approve EM19007. A voice vote was taken and was unanimous. Motion carried.

Discussion and Approval of Committee Appointments

President Jennrich indicated that as required by the Governing Board Rules he needs to make various chair recommendations for the Executive Committee's approval. Tim indicated that Craig Johnson had reached out to all recommendations he was going to make to confirm they would accept if nominated and approved by the Executive Committee. Mike Walsh did ask that in the future the list of recommendations be provided prior to the meeting.

Laura Stanley (OH) and Alison Jares (SD) were recommended as the SLAC chair and vice chair, respectively. Michael Walsh motioned to approve the SLAC recommendations. No comments were received. A voice vote was taken and was unanimous. Motion carried.

David Steines (WI) and Richard Dobson (KY) were recommended as chair and vice chair of CRIC, respectively. Tom Atchley (AR), Dave Matelski (MI), Senator Harper (UT), Alison Jares (SD) and Dan Noble (WY) were recommended as CRIC members. Senator Harper motioned to approve the CRIC recommendations. No comments were received. A voice vote was taken and was unanimous. Motion carried.

Larry Molnar (IN) was recommended as chair of the Issue Resolution Committee (IRC). Clark Jolley (OK), Laura Stanley (OH), Mike Walsh (NE) and Chris McNeal (AR) were recommended as IRC members. Representative Kennedy motioned to approve the Issue Resolution Committee



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recommendations. No comments were received. A voice vote was taken and was unanimous. Motion carried.

The Audit Committee co-chair recommendations were Megan Martin (ND) and Rachel Williams (SD). Representative Reed motioned to approve the Audit Committee recommendations. No comments were received. A voice vote was taken and was unanimous. Motion carried.

Tim Bennett was recommended as Certification Committee chair. Representative Kennedy motioned to approve the Certification Committee recommendation. No comments were received. A voice vote was taken and was unanimous. Motion carried.

President Jennrich noted that no appointments will be made for the Federal Legislation Implementation Committee at this time, but if we need to reconvene this committee, we will get a chair appointed at that time.

Discussion of Public Notice Related to Consideration of Sanctions in Accordance with SSTGB Rule 809

At the last Executive Committee meeting Craig discussed the need to send a letter to the states that the Governing Board found to not be in compliance with the Streamlined Sales and Use Tax Agreement and to provide a 30-day public comment period regarding these states. Craig sent those letters and the notice yesterday. Therefore, the public comment period has started and all comments need to be to Craig by February 10, 2020. The Executive Committee will meet at least 10 days after the public comment period ends to develop and discuss its sanction recommendations. Craig stated the states that received the letters are to send a statement of non-compliance with their plan to come back into full compliance. Streamlined will do anything we can to help them. Rhode Island was already discussing what they can do legislatively to get back into compliance. Michigan is working on the SER issues in hopes no sanctions are imposed.

Discussion and Approval of Nonmember State Participation and Model Legislation Documents MC19008A01 and MC19009

These draft documents were shared at the Governing Board meeting in Charleston in October 2019. We wanted the states, CSPs and the business community to review them and provide some feedback. The documents were conditionally approved on the December 20, 2019 Governing Board call. However, there was some discussion about adding a sentence to make it clear that if a nonmember state decides to participate with Streamlined as explained in these documents, that the state is not obligated to eventually become a full member, although the hope is that the states will see the benefits of Streamlined and over time either become full



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members or get as close to full membership as they can. The Governing Board motion that was approved was to approve the documents and delegate final approval of the language to the Executive Committee. After the Governing Board meeting, Craig worked with some reps from the BAC and Mike Ralston from Indiana to come up with the language, which is shown on document MC19008A01. President Jennrich reviewed the updated language and opened the topic for discussion. Michael Walsh stated there is a huge benefit to the states for CSP audit. Craig stated he agrees, but this letter is basically a cover letter telling what we have and what nonmember states would need to do. He is not opposed to adding language, however. Scott Peterson added 20 years from now hopefully no one opens a business and does their own taxes, but instead uses someone certified that the states could audit through. Senator Harper stated he is comfortable adding the language as shown as well. Discussion was also held regarding whether Item 6 related to exemption certificates should be removed. Before making a motion on that change, Michael Walsh moved to first approve the revised language that was highlighted. There was no discussion. A voice vote was taken and the motion was approved unanimously. Motion carried. Mike Walsh then motioned to remove item 6 from the list of requirements. President Jennrich called for further discussion. There was no further discussion. A voice vote was taken and that motion was approved unanimously. Representative Reed then motioned to approve the finally amended documents. President Jennrich called for further discussion on the motion to approve the amended document. There was no discussion. A voice vote was taken and the motion was approved unanimously.

Discussion of Planning Meeting Agenda- Dallas, TX

The 2020 planning meeting will be taking place January 19-20 in Dallas, TX. Representatives of the Governing Board, BAC and CSPs are participating to create a plan outlining those issue that we will be focusing on this year. Tim Jennrich stated the main areas of focus are increasing participation, supporting efforts to increase registrations through central registration, working to complete the upcoming CSP contract, and identifying areas for guidance and disclosed practices to let businesses know what states are doing.

Assemblywoman Dina Neal (NV) indicated that one issue that has been popping up is related to how transactions should be handled on marketplace platforms when bundling is taking place. Tim stated that was a great subject and can be added as a possible workgroup for SLAC for next year.

Proposed Executive Committee meeting schedule with other special meetings as needed

March 27, 2020 – Teleconference (10 am central)

May 20, 2020 – Tacoma, WA (Spring in-person meeting) – Hotel Murano



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July 24, 2020 – Teleconference (10 am central)
October 2020 – Annual in-person meeting (dates and location to be determined)
December 17, 2020 – Teleconference (10 am central)
January 15, 2021 – Teleconference (10 am central)

Upcoming Governing Board Meetings

Spring meeting, May 19 – 21, 2020 – Tacoma, WA – Hotel Murano
Annual meeting, October 2020 – Location TBD
December 18, 2020 – Teleconference (10 am central)

Old Business

Nebraska did indicate that they still have some outstanding challenges related to volunteer status, but also knows the CSP contract negotiations are ongoing and may address these.

New Business

Craig Johnson reported the numbers of registrants are increasing weekly. We have over 8900 registrants, with an average monthly net increase of between 250 - 300.

Craig stressed the importance of states informing their own sellers about the possibility that they may be required to collect and remit the sales and use taxes for other states if they exceed those state's economic nexus thresholds. Education is needed!

Craig also indicated that the SLAC Steering Committee results had been tabulated and the following people were elected to the Steering Committee: Dave Matelski (MI), Dave Steines (WI), Blaine Kreikemeier (NE), Chris McNeal (AR), Richard Dobson, (KY), Mike Bailey (GFOA) and Robert Scott (NLC).

Craig thanks all the Chairs, Co-Chairs and members of the various Committees for being willing to serve.

Adjournment

Representative Kennedy motioned to adjourn at 11:00 AM Central.