



Streamlined Sales Tax Executive Committee Meeting Minutes  
Friday, July 23, 2021, 10:30 am central  
Teleconference

Call to Order and Roll Call

President Rest called the meeting to order at approximately 10:30 am central. The roll of the Committee was called. Present were Senator Rest (MN), Representative Tim Reed (SD), Michael Walsh (NE), Clark Jolley (OK), Laura Stanley (OH), Senator Jessica Bell (ND), Senator Dina Neal (NV) and Senator Curt Bramble (UT). Absent was Tim Jennrich (WA) and there is one vacant position. With eight out of ten members present, the quorum was established.

Report on Closed Session

President Rest reported on the closed session. Contracts were extended for two CSPs that were set to expire December 31, 2021. They are now renewed until December 31, 2023. Also discussed was the performance bond and security requirements contained in the CSP contract and one CSP's desire to deposit the funds directly with the Governing Board. A supplemental agreement was approved by the Executive Committee acknowledging the deposit and what the funds can be drawn for. Regarding personnel, we discussed personnel compensation which will be discussed at the October meeting.

Review and approve minutes from May 19, 2021 Executive Committee Meeting (EM21005)

President Rest stated the minutes from the May 19, 2021 meeting had been posted to the website and a link added to the agenda. She asked for a motion to approve the minutes. Clark Jolley provided the motion. No comments were received. A voice vote was taken and was unanimous. Motion carried.

Update on Status of Trademark Application

Craig stated he has completed the USPTO training related to trademark applications and has been putting together the various samples (or specimens as the USPTO calls them) to evidence SST's use of the terms we are looking to get trademarks on and developing a clear description of exactly what we are applying to receive a trademark (or service mark) on. He will be sending that language to the workgroup that Senator Rest put together for their final review and comment as well as a couple of the attorneys from the states that have previously indicated a willingness to review and provide comments on as well.

Once that is completed and agreed to, Craig can finish the online application, submit the required fees and then we wait for either approval or a notice of office action from the USPTO requesting additional information, clarification, etc. If we receive a Notice of Office Action, at that point in time, depending on what questions, concerns are raised, we may need to consider getting outside counsel to finish the process.

Mike Walsh asked if he expects questions on the application, or if it will go through. Craig stated that based on the discussion in the training, it is common for office actions on



applications, but he has addressed the previous questions raised by the USPTO, so he hopes there will be limited questions once the new application is submitted.

#### Discussion of possible schema changes

Craig stated no schema changes are being recommended after the various workgroup meetings. After various discussions it was determined that states and CSPs are really not having issues with the information as it is now. There are some things that would be nice to consider changing, but with the extensive amount of programming, time and costs involved, the workgroup does not think they need to be or should be made at this time.

Some of the changes being considered are things that we can still look at changing from a User Interface perspective and that can be reflected in the extract that states can pull from the registration system but wouldn't result in schema changes.

The other issue that was being considered was a change from SOAP to REST API. Craig and Jody received an estimate recently from our contractor and the estimate was much higher than anticipated and was nearly half of what the entire system cost SST initially. Craig also raised some concerns about the what the costs would be for each state to complete their updates and the fact that some states raised security concerns with moving from SOAP to REST as well.

There will be further detailed discussions on these topics at the upcoming meetings with Audit and Certification the first week of August and Craig expects to have some final recommendations for the Governing Board to consider at the October GB meeting.

#### Committee Reports

- Finance Committee – Dan Noble (WY)
  - FYE 6/30/2022 dues
  - Accounting policies and procedures
  - Annual financial audit

Craig provided the Finance Committee report. He stated Dan Noble has resigned from the Wyoming Department of Revenue, therefore leaving the Secretary/Treasurer position vacant. The Nominating Committee will need to meet to develop a recommendation for the Executive Committee to consider for a new permanent Secretary-Treasurer.

With respect to the FYE 6/30/2022 dues invoices, all of the states should have received their dues invoices for FYE 6/30/2022. Dues payments have already been received from 14 states as of this meeting. If you are not sure if your state has submitted its dues payment or not, please contact Bobbie or Craig. Craig asked that if those on the call are not the ones responsible for making sure the payment is made for their respective states, to please reach out to the person that is responsible to make sure they have received your state's dues information.



In addition, some states require SST to complete other forms prior to the dues payment being made. Craig asked that if there are other forms that your state specifically needs completed to please get those forms to him for completion as soon as possible.

Regarding accounting policies and procedures, Senator Rest, Dan and Craig met with our external auditors to determine we had an adequate description and segregation of duties. The independent auditors had a few recommendations which have been or are in the process of being put into place. Craig indicated they will also be reviewing the Finance Administration Rules in Section 806.1.2 and putting forth proposed amendments to those policies to reflect the moving of the accounting to in-house staff and getting that ready for the Finance Committee to review first and then for the GB's consideration.

The independent financial audit is scheduled for the week of August 9th with plans to have this completed by the October meeting.

- Compliance Review and Interpretations Committee- David Steines (WI)
  - Annual State Compliance Reviews

Dave Steines stated only a couple of states have submitted their recertification documents, which are due in 10 days. If states are running into concerns or have questions, particularly related to the new Disclosed Practice 8 to please reach out. Craig reiterated that he would appreciate people reaching out sooner rather than later as it may take states some time to get through this new section.

- State and Local Advisory Council- Alison Jares (SD)
  - Update on status of issues being addressed

Alison provided the SLAC update. The committee is extremely busy with 5 workgroups. The prepared food language is ready to be discussed at the full SLAC meeting. The PPE workgroup is exploring if additional definitions or toggles are needed. The Exemption Certificate workgroup is working on certificate revisions which will be shared at the August committee meetings. The Digital Goods workgroup has been brought back with a different scope- when the seller doesn't have the buyers full address, but instead just ask for a 5-digit zip code. The workgroup would like more input from sellers in this arena. They will need to decide if they have enough information to move forward. The last workgroup is related to developing a definition of marijuana. They are wondering if we need a definition of what is marijuana or marijuana product. They are looking into the state's current definitions regarding this issue.

- Certification Committee- Tim Bennett (KY)
  - Update on status of issues being addressed

Tim Bennett provided the Certification Committee update. They have had discussions about digital products in conjunction with the SLAC issues. As Craig stated earlier, the SCHEMA



change workgroup decided not to move forward with changes. The next meeting will be held August 6 virtually.

- Audit Committee- Megan Martin (ND)
  - Update on status of issues being addressed
  - Update on State Tax Compliance Audits
  - Appendix F discussion

Megan Martin provided the Audit Committee update. Megan indicated that like SLAC and the Certification Committee the Audit Committee will be meeting the first week of August. They will be discussing the schema changes, whether certain changes are needed and the cost and benefits of the changes, the rate and boundary databases and what happens when just a 5-digit zip code is received, and issues regarding compensation rates when a seller moves from one CSP to another. There will also be discussion related to the current state compliance audits and possible changes to state tax compliance audits and the contract compliance audits moving forward. Finally, there will be discussions related to revisions to Appendix F files that are needed due to the growth in the CSP program and those files getting so large.

#### Open Discussion

- Business Advisory Council Issues

Pat Reynolds thanked the Streamlined staff and the states for continuing to listen to the business community's feedback and concerns.

- Certified Service Provider Issues

Russ Brubaker thanked the SST staff and states for being willing to consider changes to the Appendix F requirements as the program continues to grow and looks forward to those discussions in early August.

#### Upcoming Executive Committee meetings

July 23, 2021 – Teleconference (10 am central)

October 2021 – Annual meeting (dates and possible location to be determined)

December 15, 2021 – Teleconference (10 am central)

January 14, 2022 – Teleconference (10 am central)

#### Upcoming Governing Board Meetings

Annual meeting, October 2021 – Location TBD

December 21, 2021 – Teleconference (10 am central)

#### Old Business

None



### New Business

Senator Rest recommended Tim Jennrich as the interim Secretary-Treasurer until such time as the Nominating Committee meets to develop a permanent recommendation for the Secretary-Treasurer. Senator Bramble motioned to approve the appointment of Tim Jennrich. A voice vote was taken and was unanimous. Motion carried.

Craig Johnson stated the Nominating Committee will be meeting August 2nd to discuss recommendations for the vacant Secretary-Treasurer position. Since that person will also be part of the Executive Committee and to maintain the balance between elected officials and tax administrators, we will be looking for a tax administrator to fill this vacancy.

### Adjournment

Ann Rest adjourned at 11:35 AM Central.