



Streamlined Sales Tax Executive Committee Meeting Minutes
Wednesday, May 15, 2024, 10:30 am central

Call to Order and Roll Call

President Walsh called the meeting to order at approximately 10:30 am central. The roll of the Committee was called. Present were Mike Walsh (NE), Senator Curt Bramble (UT), Lance Wilkinson (MI), Richard Dobson (KY), Laura Stanley (OH), Representative Adam Smith (KS), Nate Weber (WI) Representative Jason Dockter (ND), and Senator Tim Reed (SD). Absent was Senator Rest (MN). With nine out of ten members present, the quorum was established.

Report on Closed Session

President Walsh provided a report of the topics discussed in the closed session. The topics were personnel issues – Jody’s retirement, new employees and a budget adjustment, putting together a workgroup to look at clarifying that CSPs are not liable for the taxes of non-compensated sellers under the CSP contract and litigation. If you would like to serve on the CSP contract workgroup, please contact Craig.

Review and approve minutes from March 22, 2024 Executive Committee Meeting (EM24003)

President Walsh stated the minutes were posted to the website. No comments were received. Richard Dobson motioned to approve the minutes. A voice vote was taken and was unanimous. Motion carried.

Approval of Executive Committee Recommendation of Sanctions on Georgia

President Walsh stated the Executive Committee is responsible for developing a written recommendation of sanctions for the Governing Board to consider this afternoon for the one state (GA) the Governing Board found out of compliance. In March, the Executive Committee met to consider the sanctions and approved the recommendation. Craig put together the final sanctions recommendation document EC24001 which the Governing Board will consider this afternoon. Lance Wilkinson motioned to approve EC24001 as drafted to the Governing Board for consideration. A voice vote was taken and was unanimous. Motion carried.

Finance Committee Report

Richard Dobson reviewed FC24002A01, which is the 3rd quarter financial report. He highlighted the \$43K in interest income for the quarter from CDs and thanked Craig for his handling of the Governing Board’s assets and taking advantage of these interest rates. He highlighted the major budgetary expenses such as salary, benefits, and payroll taxes, as well as travel expenses and Central Registration and website related expenses. Richard reviewed the statement of activity to show the total expenses through the 3rd quarter, and total assets and highlighted the percentage of budget amounts.

Craig provided information where he was in the process of hiring Jody’s replacement and indicated that he will be asking the Governing Board for an adjustment to the budget for next



fiscal year to accommodate the hiring proposal he has laid out to the Personnel Committee and which they have approved.

Richard Dobson motioned to approve FC24002A01 to bring forward to the Governing Board. A voice vote was unanimous. Motion carried.

Options Related to Issue Resolution Process

President Walsh stated the IRC Workgroup is still working on the issues surrounding the Issue Resolution Process. They had various discussions about this including at the planning meeting, but they need the Executive Committee to provide direction on how they want this to move forward and how this process should work. We must do something, or we really have no agreed upon Issue Resolution Process. Keep in mind, this is about the process and not about any specific state or issue at this time. Once we have a process in place, then that process will be applied moving forward. Walsh stated the question comes down to whether we believe the Issue Resolution Process should take place before or after the Governing Board votes on an issue. He stated there were two options currently being considered and asked for input.

- Option 1- amend SSUTA and Rules to make clear that issue resolution process can apply after the Governing Board has initially voted on an issue and a state or person requests reconsideration.
- Option 2- amend SSUTA and Rules to make clear that once the Governing Board votes on an issue, it is done and no petition for reconsideration can be filed.

Craig stated that Option 1 is how the Governing Board has operated up until the latest recommendation was made by the IRC calling this process into question. His concern with Option 2 is that a petition would need to be filed prior to anyone even knowing what the Governing Board's position was on an issue.

With respect to the current issue outstanding, CRIC recommended the state be found not in compliance, but the Governing Board vote did not find the state out of compliance. He indicated a person would have needed a crystal ball to know how the Governing Board was going to vote if the issue resolution process was required to take place prior to a Governing Board vote. Craig indicated that from his perspective it seems that until the Governing Board votes, no one even knows if a potential disagreement with the decision exists, so it would seem to be a waste of everyone's time to go through a process to address an issue that may not even exist. He indicated that it seems the way the process worked in the past made the most sense. The Governing Board votes and then if someone disagrees with that vote, they can file a petition for reconsideration and have the IRC look at it at that point. It seems like a good process. He is OK with the idea of having the Executive Committee look at it before it goes to the IRC, but questions if that might just slow down the process.



Mike asked for comments from the Executive Committee, but none were received. The issue resolution committee workgroup will meet again and bring forth a proposal for the Governing Board to consider because we need to make sure the process is clearly laid out.

Filing Options – Simplifying the Filing of SERs by Remote Sellers

President Walsh stated we have discussed this issue previously and we want to find ways to make it easier for remote sellers to be able to file multiple states returns. It can cost remote sellers a significant amount of time and money to file returns in every state in which they exceed the economic nexus threshold. Each state has its own requirements and form that sellers must become familiar with and complete. We have the CSP program in place, but many want to do it on their own – for whatever reason. We have considered three options:

- Building our own filing system for all member states, however this option was eliminated due to anticipated costs to build, manage, employee time, etc.;
- Outsource to a third party which was eliminated due to anticipated costs (can't get guaranteed costs), states already have own system and don't want to pay third party to use different system and finally concerns with getting a third party involved with confidential taxpayer information; and
- Consider some type of compensation program for existing transmitters of SERs including the CSPs and other to help cover the costs for remote sellers.

Craig stated that he met with the CSPs to start initial discussions and find out what the CSPs' expectations would be. The CSPs were going to discuss and provide their thoughts. Chad Paulson stated they have been in discussions and started putting together points and will be circling around to this soon.

Diane Yetter stated she would be happy to gather data with her team and could share that. There are suggestions to the states that would make things easier. For example, Diane's team is dealing with a couple of Streamlined states where they can't get the PIN that is needed because they aren't getting mail, and now they are delinquent because they can't file online. She is happy to work with Craig or the states on this to come up with a solution.

Craig will continue to work on this once he hears back from the CSPs.

Old Business

None

New Business

Craig stated we need to make some schema changes and wanted to get input from this group and the Governing Board. He stated we haven't changed the schema in 8 years and states are wanting more information when registrations are made, which we have been able to do with some workarounds, but it is not efficient. We have been able to build some of the needed information into the registration system so the states can get the information, but it is a manual process, because the schema hasn't been updated. We would like to work with the states and



CSPs to develop a list to bring to the Governing Board for approval to make these updates. We know that this will take time and we are only as fast as our slowest state.

Craig indicated he did not want the Certification Committee to waste time and energy going through developing and finalizing the necessary schema changes if no one is interested in making the changes. Craig wants to know if people are open to the idea of getting the schema changes done. If so, we would compile a list to be brought forward at the October Governing Board meetings.

Tim Jennrich stated the idea that we haven't updated the schema in a while seems like there is a need. We should figure out what would be recommended, what the cost is, then what the impact would be for the various agencies, sellers, CSPs, other filers, etc.

Dave Matelski stated he was looking at this internally and was told it would be at least 6 months before this would be done and that would be once we get in line. He is not sure when they would be able to start, but with resource issues and the large IT projects they are currently working on, he is unsure when they would be able to get to this.

Craig indicated the main purpose of this discussion today was to see if people were even open to the idea of schema changes. If so, then at the next Governing Board meeting, we would have the list put together along with an explanation of why the change is needed, who/what the benefits are, etc. Then once the list of changes is approved, we would work on the timeline, but recognize it will likely take at least 9 – 12 months once the Governing Board approves it.

The Executive Committee wants the Certification Committee to move forward gathering data and putting a list together along with the benefits.

Mike reviewed the list of upcoming meetings and asked that people get them on their calendars.

Executive Committee meeting schedule with other special meetings as needed

- o August 8, 2024 – Teleconference (10 am central)
- o October 8, 2024 – Charlotte, NC (as part of Annual meeting)
- o December 13, 2024 – Teleconference (10 am central)
- o January 17, 2025 – Teleconference (10 am central)

Governing Board Meetings

- o Annual meeting, October 7 – 9, 2024 – Charlotte, NC
- o December 20, 2024 – Teleconference (10 am central)

Adjournment

President Walsh motioned to adjourn (provided by Richard Dobson) at 11:35 AM Central.