Streamlined Sales Tax Governing Board

Snow King Hotel and
Grand View Lodge

Jackson, Wyoming

May 1-3, 2018

SCHEDULE OF MEETINGS

Mountain Standard Time

**** Meetings will take place at the Grand View Lodge, Grand View Ballroom***
**** Meals will be served at the Grand View Lodge, Mountain View/Fireside Room***

Tuesday, May 1, 2018

State and Local Advisory Council (SLAC) Meeting

- Full Group Meeting – 8:30 AM to 3:30 PM
- Business Meeting – 4:00 to 5:00 PM

Breakfast – Available 7:00 to 8:30 AM
Lunch – Available 12:00 to 1:00 PM

Wednesday, May 2, 2018

Business Advisory Council Meeting (BAC) – 8:30 to 10:00 AM- (Grand View Lodge-*Cache Creek*)

Executive Committee Meeting

- 10:00 to 11:00 AM- Closed Session
- 11:00 to Noon- Open Session

Governing Board Meeting - 1:00 to 5:00 PM

Breakfast – Available 7:00 to 8:30 AM
Lunch – Available 12:00 to 1:00 PM

Evening Reception and Dinner– 5:15-8:00 PM Mountain View & Fireside rooms

Thursday, May 3, 2018

Governing Board Meeting – 8:30 AM to Noon

Breakfast available – 7:00 to 8:30 AM

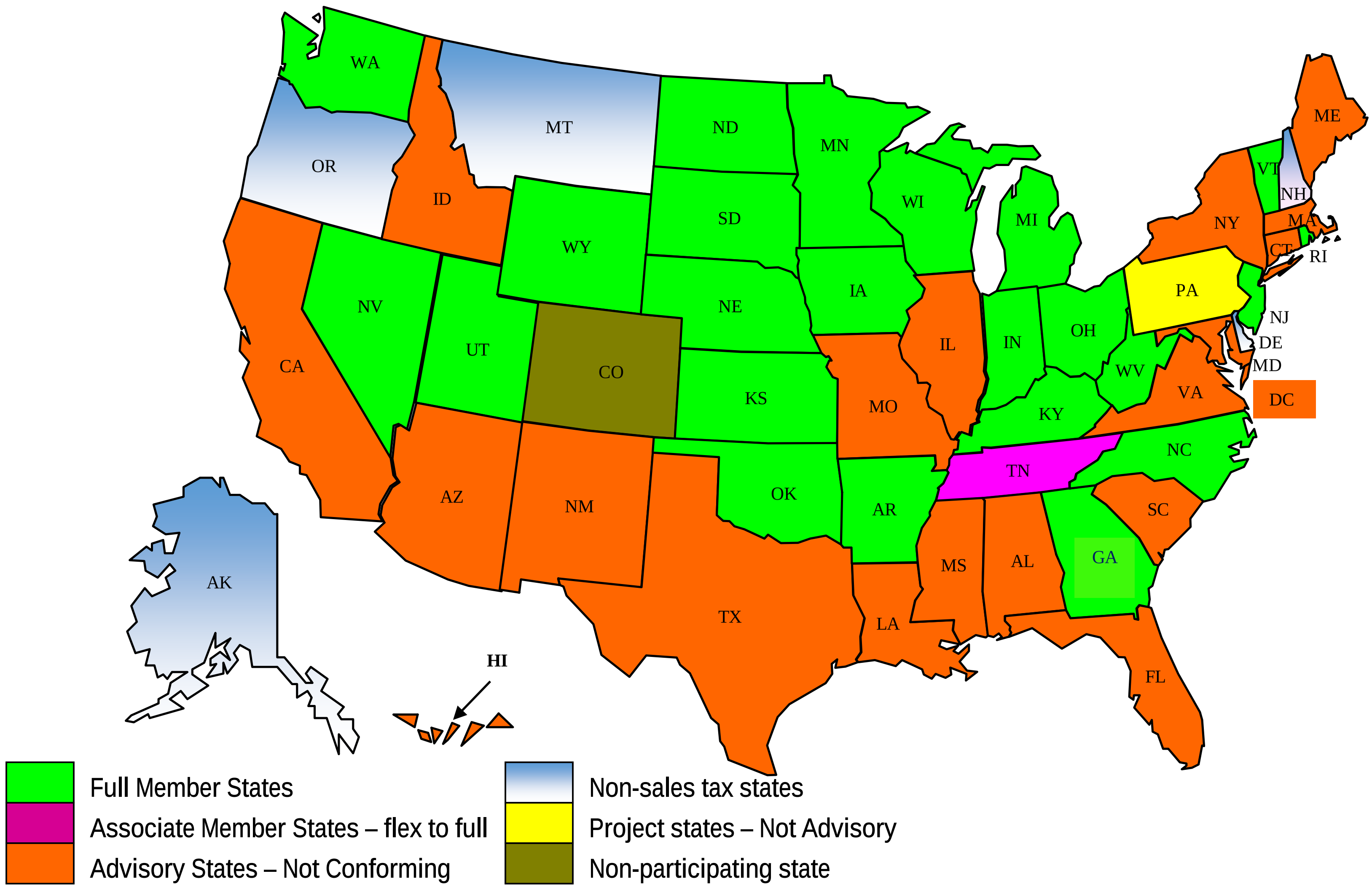
Breaks and Beverages
Regular/decaf coffees, hot tea, soft drinks, snacks and ice water

On-Site Registration

Meeting publications, name badges and registration fee payments – near meeting rooms:

- Tuesday, May 1 - 7:30 AM – 3:00 PM
- Wednesday, May 2 - 7:30 AM – Noon

Streamlined State Status 04-01-18



Streamlined Sales Tax Governing Board
Jackson, WY
DELEGATES

Tom Atchley
Excise Tax Administrator
Arkansas Dept. of Finance and Administration
P.O. Box 8054, Rm. 2420
Little Rock, AR 72203
501-682-7200
tom.atchley@dfa.arkansas.gov

Ellen Auger
Assistant Director Sales & Use Tax
Minnesota Dept. of Revenue
600 N. Robert St., MSN 6330
St. Paul, MN 55146-6330
651-556-6715
ellen.auger@state.mn.us

Brad Bekkedahl
Senator, North Dakota Legislative Assembly
600 E Blvd Ave
Bismarck, ND 58505
701-570-1879
bbekkedahl@nd.gov

Gary Cammack
Senator, South Dakota Senate
PO Box 100
Union Center, SD 57787
605-515-0171
gary@cammackranchsupply.com

Dwight Cook
Senator, North Dakota Legislative Assembly
600 E. Blvd. Ave. Bismarck, ND 58505
701-328-2916
dcook@nd.gov

Tommy Cooper
Assistant Director of Audits
Georgia Dept. of Revenue
1800 Century Blvd. NE Suite 18100
Atlanta, GA 30305
404-417-6263
tommy.cooper@dor.ga.gov

Richard Dobson
Executive Director, Office of Sales & Excise Tax
Kentucky Dept. of Revenue
501 High St., Stn. 50
Frankfort, KY 40601-2103
502-564-5523
richard.dobson@ky.gov

Jason Dockter
Representative, North Dakota Legislative Assembly
600 E Blvd Ave
Bismarck, ND 58505
701-328-2916
jddockter@nd.gov

Michael Eschelbach
Director, Bureau of Tax Policy
Michigan Dept. of Treasury
430 W. Allegan St.
Lansing, MI 48922
517-373-3210
eschelbachm@michigan.gov

Pam Evans
Director, Sales and Use Tax Division
Minnesota Dept. of Revenue
600 N. Robert St., MSN 6330
St. Paul, MN 55146-6330
651-556-6814
pam.evans@state.mn.us

Diane Hardt
Administrator
Wisconsin Dept. of Revenue
2135 Rimrock Rd.
Madison, WI 53713
608-266-6798
diane.hardt@wisconsin.gov

Patrick Hatlestad
Representative, North Dakota Legislative Assembly
600 E Blvd Ave
Bismarck, ND 58505
701-328-2916
phatlestad@nd.gov

Streamlined Sales Tax Governing Board
Jackson, WY
DELEGATES

Timothy Jennrich
Assistant Director, Legislation & Policy Division
Washington State Department of Revenue
6400 Linderson Way SW
Tumwater, WA 98504-7467
360-534-1578
Timje@dor.wa.gov

Clark Jolley
Commissioner, Oklahoma Tax Commission
2501 N. Lincoln Blvd.
Oklahoma City, OK 73194
405-521-2134
clark.jolley@tax.ok.gov

Thomas Kemp
Commissioner, Oklahoma Tax Commission
2501 N. Lincoln Blvd.
Oklahoma City, OK 73194
405-521-3115
tkemp@tax.ok.gov

Daniel Noble
Director, Wyoming Department of Revenue
122 W. 25th Street 2W
Cheyenne, WY 82002
307-777-5287
dan.noble@wyo.gov

Paulina Oliver
Deputy Executive Director, Nevada Dept. of Taxation
2550 Paseo Verde Pkwy Suite 180
Henderson, NV 89074
702-486-2331
poliver@tax.state.nv.us

Amy Oneacre
Deputy Director - Tax Policy
Georgia Department of Revenue
1800 Century Boulevard Suite 15206
Atlanta, GA 30004
404-417-6628
amy.oneacre@dor.ga.gov

Ray Peterson
Senator, State of Wyoming
149 S. 1st W.
Cowley, WY 82420
307-272-9705
ray.peterson@wyoleg.gov

Tim Reed
Representative, South Dakota State Legislature
500 East Capitol Avenue
Pierre, SD 57501
605-773-3851
Tim.Reed@sdlegislature.gov

Rebecca Rockwell
Commissioner, Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134
801-297-3901
rrockwell@utah.gov

Gary Scherer
Legislator, Ohio House of Representatives
P.O. Box 123
Circleville, OH 43113
740-412-1285
Gary.scherer@ohiohouse.gov

Laura Stanley
Attorney, Ohio Department of Taxation
4485 Northland Ridge Blvd
Columbus, OH 43229
614-644-5764
laura.stanley@tax.state.oh.us

Michael Walsh
Legal Manager
Nebraska Department of Revenue
301 Centennial Mall South
Lincoln, NE 68508
402-471-5920
mike.walsh@nebraska.gov

Eric Wayne
Sales and Use Tax Director
North Carolina Department of Revenue
P.O. Box 871
Raleigh, NC 27603
919-814-1083
Eric.Wayne@ncdor.gov

Streamlined Sales Tax Governing Board
Jackson, WY
PRE-REGISTERED ATTENDEES

David Albert
Government Affairs, Maximus
1891 Metro Center Dr
Reston, VA 20190
443-277-7811

Albert Babbitt
President, State Tax Services LLC
5940 S. Rainbow Blvd
Las Vegas, NV 89118
678-656-5400
ababbitt@stsllc.net

Mike Bailey
Finance Director City of Redmond
P.O. Box 97010
Redmond, WA 98073
MEBAILEY@Redmond.gov

Jody Bartels
IT Director
Streamlined Sales Tax Governing Board
100 Majestic Dr, Suite 400
Westby, WI 54667
608-632-6060
jody.bartels@sstgb.org

Max Behlke
Manager, State-Federal Relations
National Conference of State Legislatures
444 North Capitol Street, NW
Washington, DC 20001
202-624-3586

Tim Bennett
Director, Kentucky Department of Revenue
501 High Street
Frankfort, KY 40601
502-564-8913
tim.bennett@ky.gov

Russell Brubaker
FedTax
7132 30th Ave SW
Seattle, WA 98126
206-914-7029
RussB@fedtax.net

Tony Burton
Senior Product Manager
Pitney Bowes
4750 Walnut St Suite 200
Boulder, CO 80301
720-564-3079
tony.burton@pb.com

Gary Centlivre
VP Operations
FedTax
1521 NW Silverstone Ln
Topeka, KS 66618
785-246-5634
rcentlivre@aol.com

Jad Chamseddine
Legal Reporter, Taxanalysts
400 S Maple Avenue, Suite 400
Falls Church, VA 22046
703-533-4451
jad.chamseddine@taxanalysts.org

Wan Chen
Senior Policy Advisor
Department of Revenue
Interpretations & Technical Advice Division
6400 Linderson Way SW
Tumwater, WA 98501
360-534-1581
WanC@dor.wa.gov

Steve Claflin
CliftonLarsonAllen LLP
220 South 6th Street, Ste 300
Minneapolis, MN 55402
612-397-3238
steve.claflin@claconnect.com

Pam Cook
Director of Research
Streamlined Sales Tax Governing Board
100 Majestic Dr, Suite 400
Westby, WI 54667
608-632-6060
pam.cook@sstgb.org

Brandi Drake
Senior Director
Charter Communications
7820 Crescent Executive Drive
Charlotte, NC 28217
704-731-3231
brandi.drake@charter.com

Shannon Fleischer
Compliance Officer
North Dakota Office of State Tax Commissioner
600 E. Boulevard Ave. Dept 127
Bismarck, ND 58505
701-328-3431
sfleischer@nd.gov

Patrick Gengarella
Chief Revenue Agent
Rhode Island Division of Taxation
1 Capitol Hill
Providence, RI 02908
401-574-8771
patrick.gengarella@tax.ri.gov

Andy Gerlach
Revenue Secretary
State of South Dakota
445 E. Capitol Avenue
Pierre, SD 57501-3185
605-773-3311
andy.gerlach@state.sd.us

Lisa Haws
Tax Policy Analyst
Oklahoma Tax Commission
2501 N. Lincoln Boulevard
Oklahoma City, OK 73194
405-521-3214
lhaw@tax.ok.gov

Jake Hoffman
Fast Enterprises
6225 N. Meeker Pl. Ste. 100
Boise, ID 83713
208-433-9244
jhoffman@gentax.com

Merry Hopkins
SST Key Resource
Minnesota Department of Revenue
600 N. Robert St., Mail STN 6330
St. Paul, MN 55146-6330
651-556-3102
merry.hopkins@state.mn.us

Bruce Johnson
SR VP Tax Policy
Taxometry
1980 Festival Plaza Drive Suite 300
Las Vegas, NV 89135
909-559-3986
bjohnson@taxometry.com

Craig Johnson
Executive Director
Streamlined Sales Tax Governing Board
100 Majestic Dr, Suite 400
Westby, WI 54667
608-632-6060
craig.johnson@sstgb.org

Jerry Johnson
Vice President of Government Relations
TaxCloud
4601 NE 88th
Oklahoma City, OK 73131
405-640-2735
jerry.johnson@fed-tax.net

Cameron Kilberg
Government Affairs, Maximus
1891 Metro Center Dr
Reston, VA 20190
443-277-7811

Stephen Kranz
Partner, McDermott Will & Emery
500 North Capitol Street NW
Washington, DC 20001
202-756-8180
skranz@mwe.com

Streamlined Sales Tax Governing Board
Jackson, WY
PRE-REGISTERED ATTENDEES

Blaine Kreikemeier
Revenue Auditor Senior
Nebraska Department of Revenue
301 Centennial Mall South
Lincoln, NE 68508
402-595-3825
blaine.kreikemeier@nebraska.gov

Erica Love
Principal, Sales and Use Tax
Ryan, LLC
13155 Noel Rd Ste 100
Dallas, TX 75240
972-934-0022
erica.love@ryan.com

Terri Lucero
Principal Tax Examiner
State of Wyoming
122 W 25th St
Cheyenne, WY 82002
307-777-5287
terri.lucero@wyo.gov

Charles Maniace
Director - Regulatory Analysis SOVOS
200 Ballardvale St
Wilmington, MA 01887
978-587-1145
charles.maniace@sovos.com

David Matelski
Administrative Law Specialist Michigan
Department of Treasury 430 West
Allegan Street
Lansing, MI 48922
517-373-9600
matelskid@michigan.gov

Scott Mickelson
Senior Manager, State Tax Services
LLC 5940 S. Rainbow Blvd
Las Vegas, NV 89118
303-725-6829
smickelson@stsllc.net

Fred Nicely
Council On State Taxation
122 C St. NW, Suite 330
Washington, DC 20001
fnicely@cost.org

Randi Reid
Kountoupes Denham Carr & Reid
1333 H St NW #1100
Washington, DC 20005
202-803-4585
randi@Kdcrpartners.com

John Ryser
Sr. Assistant Director of Operations
Washington State Department of Revenue
6400 Linderson Way SW
Tumwater, WA 98501
360-534-1609

Robert Scott
Assistant City Manager
City of Carrollton Texas
1945 E. Jackson Rd.
Carrollton, TX 75006
972-466-3103
bob.scott@cityofcarrollton.com

Katie Smethurst
Junior Regulatory Counsel
SOVOS Compliance
200 Ballardvale Street
Wilmington, MA 01887
978-527-1011
kaitlyn.smethurst@sovos.com

Alana Stamas
Chief Legal Officer
Iowa Department of Revenue
1305 E Walnut 4th Floor
Des Moines, IA 50319
515-725-2265
alana.stamas@iowa.gov

David Steines
Revenue Tax Specialist
Wisconsin Department of Revenue
P.O. Box 530
Somerset, WI 54025
715-247-4919
david.steines@wisconsin.gov

Ed Strickland
North Carolina Department of Revenue
Sales and Use Tax Division
PO Box 871
Raleigh, NC 27602-0871
919-814-1082
Edward.strickland@ncdor.gov

Daniel Thompson
President, Thompson Tax & Associates LLC
PO Box 96
Waverly, KS 66871
415-3207829
daniel.thompson@thompsontax.com

Myles Vosberg
Director Tax Administration Division
North Dakota Office of State Tax Commissioner
600 E Boulevard Ave
Bismarck, ND 58505
701-328-3471
msvosberg@nd.gov

Lance Wilkinson
Administrator, Michigan Department of
Treasury 430 West Allegan Street
Lansing, MI 48922
517-373-9600
wilkinsonl@michigan.gov

Streamlined Sales Tax Governing Board Meeting

Snow King Hotel and Grand Lodge
Jackson, Wyoming
(1:00 - 5:00 PM Mountain, Wednesday, May 2, 2018)
(8:30 AM - Noon Mountain, Thursday, May 3, 2018)

AGENDA

1. Welcome and roll call of member states

2. Opening Remarks

3. Review and Approval of December 2017 Governing Board Meeting Minutes – MM18001

4. Status of Federal eFairness Legislation – Randi Reid
   - Senate – Marketplace Fairness Act of 2017 (MFA) – MC17001
   - House – Remote Transactions Parity Act (RTPA) – MC17002
   - House – No Regulation Without Representation Act – MC17007

5. Status of Individual State Remote Sales Tax Collection Legislation and Litigation
   - *South Dakota v. Wayfair* – Max Behlke (NCSL) and Steve Kranz (McDermott, Will and Emery)
     - Summary of Oral Arguments
     - What's Next?

6. Preparing for Collection Authority (Panel Discussion) – Dan Noble (WY), Richard Dobson (KY), Fred Nicely (BAC/COST), Carolynn Kranz (BAC), Bruce Johnson (Taxometry), Jerry Johnson (Tax Cloud), Max Behlke (NCSL)
   - State Preparations
   - Business Preparations

7. Proposed Amendments to SSUTA for Discussion and Possible Action
   - Section 305 – Local Rate and Boundary Changes – AM18002
   - Section 802 and 803 – Allow Designee to Sign Certificate of Compliance and Annual Re-Certification Documents – AM18003
   - Section 803 – Annual Recertification Timeline – AM18004
   - Section 806 (Agreement Administration) and Section 1103 (Limited Binding and Beneficial Effect) – Contracts with Nonmember States – AM18001
   - Appendix C, Part II – Exclusion for "Diapers" – Children vs. Adult – AM18005
   - Appendix E – Library of Tax Administration Practices – Disclosed Practices Related to Medical Products Classification – AM18006 and AM18007

8. Proposed Amendments to Rules for Discussion and Possible Action
   - Rule 317.1 – Update to Match Exemption Certificate – RP18003
   - Rule 602 – Model 2 Seller Compensation – RP18004
   - Rule 803 – Annual Recertification Timeline – RP18001
   - Taxability Matrix and Certificate of Compliance Updates- SL18010 and SL18011
   - Technology Implementation Guide Revisions – MC18002A01
   - State Guide for Tax Administrators and Lawmakers – MC18001A02
   - Combining Appendix L and M – Health Care Lists – RP18002

9. Proposed Amendments to Bylaws
   - Article I (Section 3) and Article IV (Section 6) – Contracts with Nonmember States – BL18001

Streamlined Sales Tax Governing Board Meeting

Snow King Hotel and Grand Lodge

Jackson, Wyoming

(1:00 - 5:00 PM Mountain, Wednesday, May 2, 2018)
(8:30 AM - Noon Mountain, Thursday, May 3, 2018)

AGENDA

10. Reports of Committees
    - Executive Committee – Dan Noble (WY), President
        - Sanctions Based on 2017 Compliance Findings
            - Georgia Sanctions Recommendation – EC18003
        - CSP Contract Revisions
        - Federal Legislative Affairs Update

    - Finance Committee – Diane Hardt (WI), Chair
        - Financial Report – 2nd Quarter FYE 6/30/2018 – FC18001
        - Financial Report – 3rd Quarter FYE 6/30/2018 – FC18003
        - 2018-19 Dues Invoices

    - Compliance Review and Interpretations Committee – David Steines (WI), Chair
        - Annual State Compliance Reviews
        - Revised Timeline

    - State and Local Advisory Council – Richard Dobson (KY), Chair, Laura Stanley (OH), Vice-Chair
        - Report of Phoenix meeting – March 8, 2018
        - Nebraska Work Request – Change Classification of Certain Items to Not Defined – SL17015
        - Preparing for Federal Collection Authority

    - Certification Committee – Tim Bennett (KY), Chair
        - Report of Phoenix meeting – March 5 - 6, 2018
        - Issues being addressed by Certification Committee
            - SER Schema Changes

    - Audit Committee –Ellen Auger (MN) and Darrell Engen (ND), Co-Chairs
        - Report of Phoenix meeting – March 6 - 7
        - State Tax Compliance Audits
        - Improvements to CSP Audit Process

    - Business Advisory Council (BAC) Report – Fred Nicely (COST) and Carolynn Kranz

11. CSP Report and Issues to Discuss With Governing Board

12. Executive Director Updates and Reminders – Craig Johnson
    - CSP Contracts
    - State Tax Administrator/Legislator Guide
    - Website Update
    - Status of Streamlined Registrants and Collections

13. Old Business

14. New Business – Open Discussion

15. Adjournment

Streamlined Sales Tax Governing Board Meeting Minutes

Tuesday, December 19, 2017, 10:00 am central
Teleconference

Welcome and roll call of member states

President Dwight Cook welcomed everyone and called the meeting to order at 10:00 am central. The roll of the states was called, all full-member states were participating and the quorum was established. Michigan did not have an appointed delegate (or official proxy) present, making them unable to vote. The associate member state of Tennessee was also absent. Other participants were Craig Johnson, Pam Cook, Wan Chen (WA), Blaine Kreikemeier (NE), Larry Molnar (IN), Mike Bailey (GFOA), Dave Matelski (MI), Tommy Cooper (GA), Deborah Bierbaum (AT&T), Dave Steines (WI), Myles Vosberg (ND), Clark Jolley (OK), Tony Mastin (OK), Scott Peterson (Avalara) and Ryan Prete (BNA).

Approval of October 2017 Governing Board Meeting Minutes – MM17003

Senator Cook asked the attendees to review the minutes of the prior meeting and provide comments. No comments were received. Senator Cook asked to approve the minutes. A voice vote was taken and approved unanimously so the motion carries.

Status of Federal eFairness Legislation- Randi Reid

Randi Reid start by saying that the information she is providing solely addresses remote sales tax collection authority legislation – specifically HR 2193, The Remote Transactions Parity Act and S 976, the Marketplace Fairness Act. These comments do not pertain to the federal digital goods bill as was incorrectly reported by at least one press outlet following the last meeting.

Federal e-fairness legislation continues to be discussed in Washington, DC, but it does not look like it will be addressed through legislative action before the end of this year.

At this time, the Congress and the Administration are focused on finalizing the tax reform bill – H.R. 1, The Tax Cuts and Jobs Act – this week. They also are deciding on how to address the outstanding Fiscal Year 2018 appropriations bills. Most likely, the Congress will consider an extension for the annual appropriations using a continuing resolution until January 2018 with the focus on completing an omnibus appropriations bill for Fiscal Year 2018 early next year.

However, the Governing Board continues to directly engage with policymakers in Washington with an immediate focus on Capitol Hill lawmakers to enact federal e-fairness legislation as soon as possible.

We are very fortunate to have strong House and Senate e-fairness champions that are committed and focused on finding a federal e-fairness solution.

HOUSE UPDATE

This year, Congresswoman Kristi Noem (R-SD) is now championing the House e-fairness initiative and the bill currently has 49 bipartisan cosponsors – 23 Republicans and 26

Democrats. The bill pursues a destination sourcing model for remote sales tax collection. This bill is identical to the House bill introduced during the last Congress. The Governing Board remains very supportive of the Remote Transactions Parity Act.

The Governing Board representatives participated in numerous Capitol Hill meetings this year specifically focused on educating House congressional members about e-fairness and strongly encouraging them to cosponsor the House bill. These meetings were critical in bringing on additional cosponsors, information gathering about the House's legislative anticipated actions, and assisting Congresswoman Noem with her personal outreach and education of her congressional colleagues.

SENATE UPDATE

Since the passage of the Marketplace Fairness Act in the Senate in May 2013, the Senate sponsors have been continuing to work with all stakeholders to enact the bill into law.

Earlier this year, Senators Michael B. Enzi (R-WY) and Dick Durbin (D-IL) introduced S. 976, The Marketplace Fairness Act of 2017 which is identical to the bill that was introduced in the Senate the previous Congress. The Senate bill has 27 bipartisan cosponsors.

The Senate sponsors are engaging directly and regularly with their House and Senate colleagues and leadership teams and the Administration to push forward an e-fairness solution on any moving legislative vehicle.

ADMINISTRATION UPDATE

The Governing Board is also engaging with the Trump Administration. No official position has been taken by the Trump Administration at this time, but the Administration is closely following this policy issue and we are continuing to engage with them to further educate them about it.

Governing Board representatives have met with Administration officials to discuss e-fairness and continue to educate them regarding this issue. Governing Board representatives outlined the structure of the Governing Board, the reasons a federal legislative solution is needed on this policy issue, and why it needs to be addressed now. The Administration is very aware of this issue, but have indicated that the primary focus right now is completing tax reform.

Speaking of tax reform, some have asked why this issue was not considered as part of the tax reform package being voted on today. The main reason this was not considered as part of the tax reform package is because it does not affect federal revenues/taxes. It only affects state and local sales taxes and they wanted to keep the focus of the Tax Reform bill on federal tax issues – not state tax issues.

NEXT STEPS

The Governing Board is planning to continue engagement and education in Washington about the need for a federal solution to this issue. The Governing Board will continue to work with all interested congressional leaders, members and staff, and Administration officials heading into 2018 to find a solution that is fair to all parties involved – sellers, purchasers and the states.

Please let Senator Cook, Craig or Randi know if you have any questions.

Status of South Dakota's Petition for U.S. Supreme Court Review of South Dakota v. Wayfair, Inc. et.al (17-494)

Craig Johnson provided a brief summary on the state of South Dakota litigation. There were fifteen amicus briefs filed in support of the South Dakota petition to the U.S. Supreme Court, and seven in opposition. The state of South Dakota has the chance to file a reply brief in response to the opposition. We will find out in January or early February if the U.S. Supreme Court will grant certiorari. Alison Jares stated that unfortunately Secretary Gerlach was unable to be with us, however Chief Legal Counsel Andrew Fergel would provide a few comments. Mr. Fergel added that the state is working on a reply to the respondents' brief in opposition of the petition. The brief is drafted and is in the process of being edited. They plan to have that filed in the near future. The U.S. Supreme Court will conference on the case in early January.

CRIC Annual State Compliance Report - Myles Vosberg (ND), CRIC Chair

- 2017 CRIC Annual State Recertification Report (CI17004)

Myles started off by stating the process is getting more efficient for the recertifications and CRIC was able to complete going through the state reviews in one conference call this year. The improvement comes from the many people that help and he would like to thank the Governing Board staff, the CRIC committee members, the BAC and the States. CRIC will ultimately be recommending that 23 states (22 full members and 1 associate member) be found not out of compliance and one state be found not in compliance. In 21 of the states (20 full members (AR, IN, IA, KS, KY, MI, MN, NE, NV, NJ, NC, ND, OK, RI, SD, UT, WA, WV, WI, and WY) and one associate member (TN)), there were no issues found with compliance. There were two states where issues were found, however CRIC recommends they be found not out of compliance. Myles makes a single motion for the 21 states where no issues were discovered (all full member states (except Vermont, Ohio and Georgia) and one associate member (TN)) that those state be found not out of compliance. Senator cook asks for discussion on the 21 states from the Governing Board members and the public. No comments were made. A voice vote was taken and was unanimous. Motion carries.

One of the two states found to have issues at the time the compliance documents were submitted was Ohio. Late in the 2017 session, the legislature approved a sales tax holiday, in which the state was unable to give the 60 days' notice prior to the calendar quarter in which the holiday would take place as required by the Agreement. The sales tax holiday has already taken place and they already have the holiday in place for next year so adequate notice will be given. In view of that, CRIC voted 7-0 to find Ohio not out of compliance. Myles brings forward a motion to the Governing Board to find Ohio not out of compliance. A voice vote was taken and was unanimous. Motion carries.

The second full member state that had an issue at the time of the compliance reviews was Vermont. Myles explained that Vermont did not complete the disclosed practice #6 when they submitted their documents on August 1st. However they did subsequently submit a revised document on August 26. Based on the updated matrix received, CRIC found Vermont to be not out of compliance. Myles motioned to find Vermont not out of compliance. Senator Cook asked for comments and none were received. A voice vote was taken, and was unanimous. Motion carries.

CRIC is recommending Georgia to be found out of compliance. Four issues were discussed, two being issues from the past for which Georgia was found out of compliance, and two being new issues. The first issue stems from the 2012 legislature's passing of the "good faith" requirement for accepting exemption certificates. The legislature did not make correct this provision during the last legislative session. The second issue is Georgia cannot accept an SER from all sellers. The SER has limitations in its schema that will not allow correct vendor compensation to be computed for sellers with multiple locations in Georgia, or correctly report the differences in the state and local tax bases that are allowable under section 302 of the Agreement. The third issue stems from a 2017 session legislative enactment of a cap of $35,000 in tax ($500,000 in sales) on boat repairs as a tax incentive measure to attract a repair facility to the state which would create high paying jobs. The fourth issue is in regards to a local food exemption for a single local tax. CRIC did not believe Georgia should be out of compliance for this issue since it had not yet gone into effect. Mike Walsh from Nebraska asks for a separate motion to be brought forward for each compliance issue. Myles Vosberg brings forward the first motion to find Georgia out of compliance with respect to the "good faith" requirement for accepting exemption certificates. Myles notes CRIC voted 6-0 to find GA out of compliance for this issue. Senator Cook asks for discussion and no comments were received. A voice vote is taken and is unanimous. The motion carries.

Myles brings forward the second motion to find Georgia out of compliance for not accepting the SER from all sellers. Myles states CRIC voted 5-1 to find Georgia out of compliance for this issue. Senator Cook asks for comments. Mike Walsh states his belief that this issue needs to be addressed through committees. He doesn't see the burden this is putting on the CSPs at this time. Myles believes that the Certification Committee is not taking action to revise the SER to handle the compensation issue. Craig Johnson adds that we have had discussions and will talk again at the March meeting about the vendor compensation issue. However, that would be a change to the schema, and all states and CSPs would need to make changes. Scott Peterson, speaking for Avalara, stated the SER is a great return, and it works very well. Avalara would be in favor of SST to expand the SER to allow additional vendor comp, as this would be a good thing for businesses in Georgia. Amy Oneacre (GA) would like to highlight that vendor compensation is not the only issue. The schema can't handle the proper reporting for local tax. Exemptions can't be properly reported for local jurisdictions for certain local taxes. The SER doesn't work and it expands much further than a vendor compensation issue. Craig stated that under the Agreement in Section 308, the States are not required to accept the SER for some of those issues. We are only looking at it through local compensation, since that is something that is in the SSUTA and causes Georgia to be out of compliance. Eric Wayne asks if we are we aware of, or have there been any tax payers that have wanted to use the SER? Amy Oneacre replies, to her knowledge, the only people that are complaining are CSPs. Scott Peterson states Avalara is not complaining that the SER is not accepted, they are only complaining that it doesn't work in this situation. Senator Cook asks how long this has been going on and Craig replied since 2012 or 2013. Myles states he is open to modifying the SER. Craig states if we open up this discussion, we need to see which states are going to want things done specifically for their state. Everyone has to update on the same date, or the SER will not work. Amy Oneacre replies, what she is hearing, is Georgia is found out of compliance on an issue that is allowable under the SSUTA, that we could fix, however it would be difficult to fix. Why should Georgia be held out of compliance for something that is not fixable? Myles Vosberg states North Dakota also has an issue with local taxes. Their work around is to allow CSPs to deduct local compensation off the top. He would prefer the SER be modified, rather than have a work around. He believes there is a possible solution, however something that would work for all states would be preferable. Myles brings forward a motion to find Georgia out of compliance based on the SER issue. Senator Cook asks for additional comments. A voice vote was called but was not unanimous, therefore Senator Cook asks for a roll-call vote. The roll call vote results in 19 states voting yes with Nebraska and West Virginia voting no. Michigan abstained. Motion carries.

Myles motions to find Georgia out of compliance for the final issue relating to the cap on boat repairs. Mike Walsh states it is his understanding that this won't affect anyone yet because the facility doesn't exist. Myles replies that the law is in place, but at the time CRIC voted, no transaction had taken place. Amy Oneacre added the legislation passed as a jobs bill, and there was a promise that a facility would be built where boat repairs could take place. The facility has not been built, but it is coming. Richard Dobson (KY) adds the facility is under construction, but not finished. Wayne Harper stated that the CRIC vote was 4-2, and he voted against it for two reasons: (1) the building is not built yet, and (2) this stemmed from a legislative vote. Senator Cook asked for comments, none were received. The voice vote was not unanimous, and a roll vote was taken where 18 states vote yes, Utah, Nebraska and West Virginia vote no and Michigan abstains. Motion carries.

Review and Approval of Proposed Amendment to the SSUTA Section 805 - Substantial Compliance (AM17003A02) – Second Vote

Craig Johnson stated this is the second vote of the amendment relating to Sections 327 and 805 of the Agreement regarding substantial compliance. This passed at the Oklahoma City meeting with a 17-2 vote with 3 states absent. Senator Cook asked for comments from the Governing Board for anyone opposed to the motion, and none were received. Clark Jolley moved to approve AM17003A02. A roll-call vote was taken where 20 states voted yes, one state, Nebraska noted no and Michigan abstained. Motion carries.

Review and Approval of CSP Contract for January 1, 2018 through December 31, 2020 - (MC17010A01)

Craig Johnson stated at the Oklahoma City meeting, we approved most of the changes to the CSP contract. If we get through the current issues to be approved, we will have only one outstanding item to discuss in regard to the contract. The first change relates to Section D.2(b)(3) relates to state specific administrative action or legislation that may conflict with the definition of volunteer seller. Section E.23 relates to renegotiation of the contract in the event there is a federal court decision. In these cases, we will go back in and renegotiate contract no later than 6 months after the decisions are issued.

The third issue relates to section D.4 which generally requires CSPs to get a statement of a seller's status as volunteer or non-volunteer each year and provides the timeframe for the CSP to complete this. The language in the contract does not reflect how this actually works in real life so changes to the contract are being recommended in this area. Mike Walsh comments that there are 3 issues outstanding and doesn't understand why we wouldn't address all of the issues at the same time. Some items are favorable to the CSPs and some are not. He believes we should be looking at these issues at the same time since this is a negotiation. Mike Walsh makes a motion to table this discussion. Senator Cook calls a roll-call vote where 20 states vote yes, Kentucky and South Dakota vote no. Motion carries.

Reports of Committees

- Executive Committee- Senator Cook

Senator Cook stated at the December 8th Executive Committee meeting during the closed session, there was a discussion and vote to extend the existing CSP contract for 90 days. The Executive Committee also approved a new contract for Craig Johnson, giving him a $1,000 raise for 2018. His 2019 raise will be an average of the employee raises.

January 15th is the annual planning meeting in Las Vegas, NV. Craig adds the South Dakota litigation will be discussed and the Executive Committee will be deciding what they will or will not do if the litigation moves forward.

With regards to the CSP contracts a special Governing Board meeting will be called if we get the issues resolved.

- Finance Committee- Diane Hardt
  - Financial Reports- 1st Quarter Fiscal Year Ending June 30, 2018 Financial Report - (FC17007)

Diane Hardt provided the 1st Quarter Financial Report (FC17007) covering July through September. The financial condition is stable, nothing of significance financially happened during that quarter and all states paid their dues.

Craig Johnson stated the final audit was received, and nothing changed from the statements that were in the book from Oklahoma City.

- State and Local Advisory Council- Alison Jares
  - Work Request – Listings of Individual Products Within SSUTA Defined Terms (NE) - (SL17009)

Alison Jares stated they are moving forward with weekly calls regarding the medical products listing to bring forward disclosed practices. The only items being worked on are undefined items. Nebraska is now requesting the four items that previously resulted in their state's compliance being questioned be included in the disclosed practices. The workgroup will take a look at that.

The other item for discussion is the 2018 SLAC Steering Committee which has not been elected to date. Craig will be sending out a ballot by the end of the year.

Craig stated work is underway to define children versus adult diapers so states can choose to exclude just adult or just children's diapers from the clothing classification. A recommendation of the definition will be brought forward at the May meeting. He also thanked Alison for her work on SLAC and notes she has done an outstanding job with her leadership. He would like to thank Christie Comanita on her leadership as vice chair as well.

<u>January Planning Meeting – Senator Dwight Cook (ND) and Dan Noble (WY)</u>

Craig Johnson stated he sent out the invitations to the various members of the Executive Committee he would like to attend the planning meeting. He asks everyone to please get information on any items they would like to discuss at the meeting to Dan Noble ASAP. Dan stated he is looking forward to the planning meeting and assuming the role as president.

Streamlined Sales Tax Governing Board Meeting Minutes

Tuesday, December 19, 2017, 10:00 am central
Teleconference

Old Business
None

New Business
Craig Johnson reminded everyone that he will be sending and posting on the website, the Annual Report of Changes to the SSUTA and the Rules. Please look at these to see if there are any changes your state may need to make.

Also, as of January 1, 2018 States must be using the new exemption certificate. Craig asks that all states make sure this is updated on their websites.

The next in Governing Board meeting will be in person May 1-3 in Jackson Hole, WY.

Craig will be sending out the SLAC steering committee ballot. Each state is entitled to one vote. Please send the ballot back by the end of the year. The new steering committee will be announced at the Executive Committee meeting Jan 12th.

Adjournment
With no further business, Senator Cook adjourned the meeting at 11:25 am Central.

115TH CONGRESS
1ST SESSION

S. ______

To restore States' sovereign rights to enforce State and local sales and use tax laws, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. ENZI (for himself, Mr. DURBIN, Mr. ALEXANDER, and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on ________________

A BILL

To restore States' sovereign rights to enforce State and local sales and use tax laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marketplace Fairness Act of 2017".

SEC. 2. AUTHORIZATION TO REQUIRE COLLECTION OF SALES AND USE TAXES.

(a) STREAMLINED SALES AND USE TAX AGREEMENT.—Each Member State under the Streamlined Sales and Use Tax Agreement is authorized to require all sellers not qualifying for the small seller exception described in subsection (c) to collect and remit sales and use taxes with respect to remote sales sourced to that Member State pursuant to the provisions of the Streamlined Sales and Use Tax Agreement, but only if any changes to the Streamlined Sales and Use Tax Agreement made after the date of the enactment of this Act are not in conflict with the minimum simplification requirements in subsection (b)(2). Subject to section 3(h), a State may exercise authority under this Act beginning 180 days after the State publishes notice of the State's intent to exercise the authority under this Act, but no earlier than the first day of the calendar quarter that is at least 180 days after the date of the enactment of this Act.

(b) ALTERNATIVE.—A State that is not a Member State under the Streamlined Sales and Use Tax Agreement is authorized notwithstanding any other provision of law to require all sellers not qualifying for the small seller exception described in subsection (c) to collect and remit sales and use taxes with respect to remote sales sourced to that State, but only if the State adopts and implements the minimum simplification requirements in paragraph (2). Subject to section 3(h), such authority shall commence beginning no earlier than the first day of the calendar quarter that is at least 6 months after the date that the State—

(1) enacts legislation to exercise the authority granted by this Act—

(A) specifying the tax or taxes to which such authority and the minimum simplification requirements in paragraph (2) shall apply; and

(B) specifying the products and services otherwise subject to the tax or taxes identified by the State under subparagraph (A) to which the authority of this Act shall not apply; and

(2) implements each of the following minimum simplification requirements:

(A) Provide—

(i) a single entity within the State responsible for all State and local sales and use tax administration, return processing, and audits for remote sales sourced to the State;

(ii) a single audit of a remote seller for all State and local taxing jurisdictions within that State; and

(iii) a single sales and use tax return to be used by remote sellers to be filed with the single entity responsible for tax administration.

A State may not require a remote seller to file sales and use tax returns any more frequently than returns are required for nonremote sellers or impose requirements on remote sellers that the State does not impose on nonremote sellers with respect to the collection of sales and use taxes under this Act. No local jurisdiction may require a remote seller to submit a sales and use tax return or to collect sales and use taxes other than as provided by this paragraph.

(B) Provide a uniform sales and use tax base among the State and the local taxing jurisdictions within the State pursuant to paragraph (1).

(C) Source all remote sales in compliance with the sourcing definition set forth in section 4(7).

(D) Provide—

(i) information indicating the taxability of products and services along with any product and service exemptions from sales and use tax in the State and a rates and boundary database;

(ii) software free of charge for remote sellers that calculates sales and use taxes due on each transaction at the time the transaction is completed, that files sales and use tax returns, and that is updated to reflect rate changes as described in subparagraph (H); and

(iii) certification procedures for persons to be approved as certified software providers.

For purposes of clause (iii), the software provided by certified software providers shall be capable of calculating and filing sales and use taxes in all States qualified under this Act.

(E) Relieve remote sellers from liability to the State or locality for the incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of an error or omission made by a certified software provider.

(F) Relieve certified software providers from liability to the State or locality for the incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of misleading or inaccurate information provided by a remote seller.

(G) Relieve remote sellers and certified software providers from liability to the State or locality for incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of incorrect information or software provided by the State.

(H) Provide remote sellers and certified software providers with 90 days notice of a rate change by the State or any locality in the State and update the information described in subparagraph (D)(i) accordingly and relieve any remote seller or certified software provider from liability for collecting sales and use taxes at the immediately preceding effective rate during the 90-day notice period if the required notice is not provided.

(c) SMALL SELLER EXCEPTION.—A State is authorized to require a remote seller to collect sales and use taxes under this Act only if the remote seller has gross annual receipts in total remote sales in the United States in the preceding calendar year exceeding $1,000,000. For purposes of determining whether the threshold in this section is met, the gross annual receipts from remote sales of 2 or more persons shall be aggregated if—

(1) such persons are related to the remote seller within the meaning of subsections (b) and (c) of section 267 or section 707(b)(1) of the Internal Revenue Code of 1986; or

(2) such persons have 1 or more ownership relationships and such relationships were designed with a principal purpose of avoiding the application of these rules.

SEC. 3. LIMITATIONS.

(a) IN GENERAL.—Nothing in this Act shall be construed as—

(1) subjecting a seller or any other person to franchise, income, occupation, or any other type of taxes, other than sales and use taxes;

(2) affecting the application of such taxes; or

(3) enlarging or reducing State authority to impose such taxes.

(b) NO EFFECT ON NEXUS.—This Act shall not be construed to create any nexus or alter the standards for determining nexus between a person and a State or locality.

(c) NO EFFECT ON SELLER CHOICE.—Nothing in this Act shall be construed to deny the ability of a remote seller to deploy and utilize a certified software provider of the seller's choice.

(d) LICENSING AND REGULATORY REQUIREMENTS.—Nothing in this Act shall be construed as permitting or prohibiting a State from—

(1) licensing or regulating any person;

(2) requiring any person to qualify to transact intrastate business;

(3) subjecting any person to State or local taxes not related to the sale of products or services; or

(4) exercising authority over matters of interstate commerce.

(e) NO NEW TAXES.—Nothing in this Act shall be construed as encouraging a State to impose sales and use taxes on any products or services not subject to taxation prior to the date of the enactment of this Act.

(f) NO EFFECT ON INTRASTATE SALES.—The provisions of this Act shall apply only to remote sales and shall not apply to intrastate sales or intrastate sourcing rules. States granted authority under section 2(a) shall comply with all intrastate provisions of the Streamlined Sales and Use Tax Agreement.

(g) NO EFFECT ON MOBILE TELECOMMUNICATIONS SOURCING ACT.—Nothing in this Act shall be construed as altering in any manner or preempting the Mobile Telecommunications Sourcing Act (4 U.S.C. 116–126).

(h) LIMITATION ON INITIAL COLLECTION OF SALES AND USE TAXES FROM REMOTE SALES.—A State may not begin to exercise the authority under this Act—

(1) before the date that is 1 year after the date of the enactment of this Act; and

(2) during the period beginning October 1 and ending on December 31 of the first calendar year beginning after the date of the enactment of this Act.

SEC. 4. DEFINITIONS AND SPECIAL RULES.

In this Act:

(1) CERTIFIED SOFTWARE PROVIDER.—The term "certified software provider" means a person that—

(A) provides software to remote sellers to facilitate State and local sales and use tax compliance pursuant to section 2(b)(2)(D)(ii); and

(B) is certified by a State to so provide such software.

(2) LOCALITY; LOCAL.—The terms "locality" and "local" refer to any political subdivision of a State.

(3) MEMBER STATE.—The term "Member State"—

(A) means a Member State as that term is used under the Streamlined Sales and Use Tax Agreement as in effect on the date of the enactment of this Act; and

(B) does not include any associate member under the Streamlined Sales and Use Tax Agreement.

(4) PERSON.—The term "person" means an individual, trust, estate, fiduciary, partnership, corporation, limited liability company, or other legal entity, and a State or local government.

(5) REMOTE SALE.—The term "remote sale" means a sale into a State, as determined under the sourcing rules under paragraph (7), in which the seller would not legally be required to pay, collect, or remit State or local sales and use taxes unless provided by this Act.

(6) REMOTE SELLER.—The term "remote seller" means a person that makes remote sales in the State.

(7) SOURCED.—For purposes of a State granted authority under section 2(b), the location to which a remote sale is sourced refers to the location

where the product or service sold is received by the purchaser, based on the location indicated by instructions for delivery that the purchaser furnishes to the seller. When no delivery location is specified, the remote sale is sourced to the customer's address that is either known to the seller or, if not known, obtained by the seller during the consummation of the transaction, including the address of the customer's payment instrument if no other address is available. If an address is unknown and a billing address cannot be obtained, the remote sale is sourced to the address of the seller from which the remote sale was made. A State granted authority under section 2(a) shall comply with the sourcing provisions of the Streamlined Sales and Use Tax Agreement.

(8) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States, and any tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)).

(9) STREAMLINED SALES AND USE TAX AGREEMENT.—The term "Streamlined Sales and Use Tax Agreement" means the multi-State agreement with that title adopted on November 12, 2002, as in effect on the date of the enactment of this Act and as further amended from time to time.

SEC. 5. SEVERABILITY.

If any provision of this Act or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this Act and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 6. PREEMPTION.

Except as otherwise provided in this Act, this Act shall not be construed to preempt or limit any power exercised or to be exercised by a State or local jurisdiction under the law of such State or local jurisdiction or under any other Federal law.

....

(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. ______

To grant States authority to enforce State and local sales and use tax laws on remote transactions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. NOEM (for herself and __) introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To grant States authority to enforce State and local sales and use tax laws on remote transactions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Remote Transactions Parity Act of 2017".

SEC. 2. AUTHORIZATION TO REQUIRE COLLECTION OF SALES AND USE TAXES.

(a) STREAMLINED SALES AND USE TAX AGREEMENT.—Each Member State under the Streamlined Sales and Use Tax Agreement is authorized notwithstanding any other provision of law to require all remote sellers not qualifying for the small remote seller exception described in subsection (c) to collect and remit sales and use taxes with respect to remote sales sourced to that Member State pursuant to the provisions of the Streamlined Sales and Use Tax Agreement, but only if any changes to the Streamlined Sales and Use Tax Agreement made after the date of enactment of this Act, are not in conflict with the minimum simplification requirements in subsection (b)(2). A State may exercise authority under this Act on the 1st day of a month beginning 180 days after the State publishes notice of the State's intent to exercise the authority under this Act, but no earlier than the date provided in section 3(h).

(b) ALTERNATIVE.—A State that is not a Member State under the Streamlined Sales and Use Tax Agreement is authorized notwithstanding any other provision of law to require all remote sellers not qualifying for the small remote seller exception described in subsection (c) to collect and remit sales and use taxes with respect to remote sales sourced to that State, but only if the State adopts and implements the minimum simplification requirements in paragraph (2). Such authority shall only begin on the 1st day of a month and commence beginning no earlier than the first day of the calendar quarter that is at least 180 days after the date that the State—

(1) enacts legislation to exercise the authority granted by this Act—

(A) specifying the tax or taxes to which such authority and the minimum simplification requirements in paragraph (2) shall apply; and

(B) specifying the products and services otherwise subject to the tax or taxes identified by the State under subparagraph (A) to which the authority of this Act shall not apply; and

(2) implements each of the following minimum simplification requirements:

(A) Provide—

(i) a single entity within the State responsible for all State and local sales and use tax administration, return processing, and audits for remote sales sourced to the State;

(ii) except as provided in clause (iii) and section 3(I), a single audit of a remote seller for all State and local taxing jurisdictions within that State;

(iii) unless there is reasonable suspicion that the remote seller has engaged in intentional misrepresentation, if a remote seller utilizes a certified software provider as described in section 4(1), the State requesting the audit shall, at the option of the remote seller, first contact the certified software provider who shall have the responsibility to provide the State with complete records of transactions processed for the remote seller and who will represent the remote seller during the State's audit and be responsible for the audit findings except as provided in subparagraphs (F), (G), and (H) (Nothing herein shall prevent the remote seller from contesting audit findings, and the remote seller utilizing a certified software provider shall not be contacted by a State requesting an audit unless the remote seller either was reasonably suspected of intentional misrepresentation or has declined to have a certified software provider represent it during the audit.); and

(iv) a single sales and use tax return to be used by remote sellers to be filed with the single entity responsible for tax administration.

A State may not require a remote seller to file sales and use tax returns any more frequently than returns are required for nonremote sellers. No local jurisdiction may require a remote seller to submit a sales and use tax return or to collect sales and use taxes other than as provided by this paragraph.

(B) Provide a uniform sales and use tax base among the State and the local taxing jurisdictions within the State pursuant to paragraph (1).

(C) Source all remote sales in compliance with the sourcing definition set forth in section 4(10).

(D) Provide—

(i) a publicly available taxability and exemption table which can be downloaded in an easily usable format and accessed electronically which indicates the taxability of products and services along with any product and service exemptions from sales and use tax in the State, and which is updated each calendar quarter for any changes to the products and services specified under paragraph (1)(B);

(ii) a rates and boundary database in an easily downloadable format and which is updated each calendar quarter for rate and boundary changes;

(iii) free access to all of the national certified software providers that have been approved pursuant to section (3)(g) and that can determine the proper sales and use tax in every State qualified under this Act and that will—

(I) determine the correct sales and use tax rate based on sourcing rules in section 4(10) and calculate the sales and use tax due at the time of sale;

(II) generate and file sales and use tax returns electronically;

(III) remit the sales and use taxes to States electronically;

(IV) report all transactions processed to the remote seller;

(V) respond to sales and use tax audit requests by States for remote sellers; and

(VI) provide safeguards and protection of consumer privacy in any data stored by the certified software provider; and

(iv) certification procedures for persons to be approved as certified software providers.

Such free access shall include installation, setup and maintenance of the automated system into the remote seller's system. For purposes of clause (iii), the software provided by national certified software providers shall be capable of calculating and filing sales and use taxes in all States qualified under this Act.

(E) Relieve remote sellers from liability to the State or locality for the incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of an error or omission made by a certified software provider unless the error or omission is the result of misleading, incomplete, or inaccurate information provided to the certified software provider by the remote seller.

(F) Relieve certified software providers from liability to the State or locality for the incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of misleading, incomplete, or inaccurate information provided by a remote seller.

(G) Relieve remote sellers and certified software providers from liability to the State or locality for incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is the result of incorrect information or software provided or certified by the State.

(H) Provide remote sellers and certified software providers with 90-days notice of rate and boundary changes and any changes to the products and services specified under paragraph (1)(B) by the State or any locality in the State and update the information described in clauses (i) and (ii) of subparagraph (D) accordingly and relieve any remote seller or certified software provider from liability for collecting sales and use taxes at the immediately preceding effective rate during the 90-day notice period if the required notice is not provided.

(I) Provide the following, but only if the law of a State allows a person, other than the State itself, to pursue a cause of action against a seller for under-collected or over-collected sales or use tax:

(i) That a person, other than the State itself, may not pursue any cause of action against a remote seller for under-collected or over-collected sales or use tax unless the remote seller has received written notice from the person that the remote seller has over-collected or under-collected sales and use tax, the notice contains information sufficient to determine the validity of the refund request or asserted under-collection, and the remote seller has not, within 60 days of receipt of the notice, refunded affected customers the amount of the over-collected sales and use tax or paid the under-collected amount of sales and use tax to the State. No penalties may be imposed during the 60-day period in excess of the penalties that would otherwise be imposed by the State had no notice been provided pursuant to this paragraph.

(ii) That a notice of over-collection from a person is only valid if received within the applicable statute of limitations for filing refunds for sales and use tax, and that a notice of under-collection from a person is only valid if received within the applicable statute of limitations for assessing underpayments of sales and use tax.

(iii) That a person, other than the State itself, may not pursue any cause of action against a certified software provider for its activities conducted for a remote seller described in clause (i) unless the remote seller provides a copy of the written notice to the certified software provider within a reasonable time for the certified software provider to be able to assist the remote seller in making the payments within the time frame described in clause (i).

(iv) That a person, other than the State itself, may pursue a cause of action against a remote seller for under-collected or over-collected sales or use tax if the remote seller knew or should have known that it had under-collected or over-collected and did not, within 60 days of its determination, refund affected customers the amount of the over-collected sales and use tax or pay the amount of under-collected sales and use tax to the State.

(J) Accepts registrations at no charge to certified software provider or remote seller from a central online registration system that allows a remote seller to register to collect and remit sales and use taxes in all States that have exercised authority under this Act.

(K) Relieve remote sellers and certified software providers, except in cases of fraud, from liability for tax, penalty, and interest on transactions if the purchaser provides to the remote seller the necessary documentation to claim an exemption within 90 days of the sale.

(c) SMALL REMOTE SELLER PHASE-IN.—

(1) COLLECTION AUTHORIZED.—A State is authorized to require the collection of sales and use taxes by a remote seller under this Act only as follows:

(A) For the 1st calendar year following the effective date, if the remote seller—

(i) has gross annual receipts exceeding $10,000,000 in the calendar year preceding the date of enactment; or

(ii) utilizes an electronic marketplace for the purpose of making products or services available for sale to the public.

(B) For the 2d calendar year following the effective date, if the remote seller—

(i) has gross annual receipts exceeding $5,000,000 in the immediately preceding calendar year; or

(ii) utilizes an electronic marketplace for the purpose of making products or services available for sale to the public.

(c) For the 3d calendar year following the effective date, if the remote seller—

(i) has gross annual receipts exceeding $1,000,000 in the immediately preceding calendar year; or

(ii) utilizes an electronic marketplace for the purpose of making products or services available for sale to the public.

(2) DETERMINATION OF THRESHOLD.—For purposes of determining whether the threshold in this paragraph (1) is met—

(A) the sales of all persons related within the meaning of subsections (b) and (c) of section 267, or section 707(b)(1), of the Internal Revenue Code of 1986 shall be aggregated; or

(B) persons with 1 or more ownership relationships shall also be aggregated if such relationships were designed with a principal purpose of avoiding the application of these rules.

SEC. 3. LIMITATIONS.

(a) IN GENERAL.—Nothing in this Act shall be construed as—

(1) subjecting a remote seller or any other person to franchise, income, occupation, or any other type of taxes, other than sales and use taxes;

(2) affecting the application of such taxes; or

(3) enlarging or reducing State authority to impose such taxes.

(b) NO EFFECT ON NEXUS.—This Act shall not be construed to create any nexus between a person and a State or locality.

(c) LICENSING AND REGULATORY REQUIREMENTS.—Nothing in this Act shall be construed as permitting or prohibiting a State from—

(1) licensing or regulating any person;

(2) requiring any person to qualify to transact intrastate business;

(3) subjecting any person to State or local taxes not related to the sale of goods or services; or

(4) exercising authority over matters of interstate commerce.

(d) NO NEW TAXES.—Nothing in this Act shall be construed as encouraging a State to impose sales and use taxes on any goods or services not subject to a sales and use tax prior to the date of the enactment of this Act.

(e) NO EFFECT ON INTRASTATE SALES.—The provisions of this Act shall apply only to remote sales and shall not apply to intrastate sales or intrastate sourcing rules. States granted authority under section 2(a) shall comply with all intrastate provisions of the Streamlined Sales and Use Tax Agreement.

(f) NO EFFECT ON MOBILE TELECOMMUNICATIONS SOURCING ACT.—Nothing in this Act shall be construed as altering in any manner or preempting the Mobile Telecommunications Sourcing Act (4 U.S.C. 116–126).

(g) CERTIFICATION REQUIREMENTS.—A State may not exercise authority under this Act unless the following requirements are satisfied:

(1) The State provides certification procedures for persons to be approved as certified software providers. A State may delegate the certification procedures so long as the State retains final approval over any certification decisions.

(2) The State (or its delegate) does not deny or revoke certification to a software provider without a reasonable basis, or arbitrarily or capriciously. A State must complete the certification review of the software provider no later than the first day of the calendar quarter that is at least 180 days after the software provider requests certification by that State.

(3) The State has certified multiple national certified software providers, and the certifications are in effect. Nothing in this Act shall be construed to deny the ability of a remote seller to deploy and utilize a certified software provider of the seller's choice.

(4) The State provides compensation for certified software providers. A State may delegate the authority to negotiate the compensation so long as the State retains final approval of the compensation rate(s).

(h) LIMITATION ON INITIAL COLLECTION OF SALES AND USE TAXES FROM REMOTE SALES.—A State may not begin to exercise the authority under this title—

(1) before the date that is 1 year after the date of the enactment of this Act; and

(2) during the period beginning October 1 and ending on December 31 of the first calendar year beginning after the date of the enactment of this Act.

(i) LIMITATION ON AUDITS OF REMOTE SELLERS.—A State exercising authority under this Act—

(1) may not audit a remote seller that—

(A) has registered in the State under section 2(b)(2)(J); and

(B) has gross annual receipts of less than $5,000,000 in the taxable year as aggregated in subsection (c) of section 2;

unless there is reasonable suspicion that such remote seller has engaged in intentional misrepresentation or fraud; and

(2) may not have audits of remote sellers conducted by persons whose compensation is contingent upon audit findings.

(j) LIMITATION ON TIME PERIOD TO ASSESS REMOTE SELLERS AND CERTIFIED SOFTWARE PROVIDERS.—A State may not hold a remote seller or certified software provider liable for the incorrect collection, remittance, or noncollection of sales and use taxes, including any penalties or interest, if the liability is for a sales or use tax assessed under the authority of this Act more than 3 years after the later of the due date or the filing of the sales and use tax return applicable to the sales and use tax assessed.

(k) REMOTE SELLER COMPENSATION.—A State must provide remote sellers with compensation equaling no less than the amount, if any, the State provides to nonremote sellers within the State.

SEC. 4. DEFINITIONS AND SPECIAL RULES.

In this Act:

(1) CERTIFIED SOFTWARE PROVIDER.—The term "certified software provider" means a person that—

(A) provides software or access to software to remote sellers to facilitate State and local sales and use tax compliance; and

(B) is certified by a State or on a State's behalf to so provide such software.

(2) EFFECTIVE DATE.—The term "effective date" means the date that is 1 year after the date of the enactment of this Act. However, if the date that is 1 year after the date of the enactment of this Act falls during the period beginning October 1 and ending on December 31, the effective date shall be January 1 of the immediately following year.

(3) ELECTRONIC MARKETPLACE.—The term "electronic marketplace" means a digital marketing platform where—

(A) products or services are offered for sale by more than 1 remote seller; and

(B) buyers may purchase such products or services through a common system of financial transaction processing.

(4) LOCALITY; LOCAL.—The terms "locality" and "local" refer to any political subdivision of a State.

(5) MEMBER STATE.—The term "Member State"—

(A) means a Member State as that term is used under the Streamlined Sales and Use Tax

Agreement as in effect on the date of the enactment of this Act; and

(B) does not include any associate member or a member that is not a full member under the Streamlined Sales and Use Tax Agreement.

(6) NATIONAL CERTIFIED SOFTWARE PROVIDER.—The term ''national certified software provider'' means a certified software provider that has been certified by all States that are certifying States. A ''certifying State'' is a State that has a generally applicable sales and use tax, that has met the requirements set forth under section 3(g)(1), and that has not violated the requirements set forth in section 3(g)(2). Once a certified software provider is a national certified software provider, it shall not lose its status as such when a State becomes a certifying State so long as the national certified software provider requested certification from the new certifying State within 30 days from the date that the State became a certifying State and the certifying State has not violated section 3(g)(2).

(7) PERSON.—The term ''person'' means an individual, trust, estate, fiduciary, partnership, corporation, limited liability company, or other legal entity, and a State or local government.

(8) REMOTE SALE.—The term ''remote sale'' means a sale that originates in one State and is sourced to another State as provided in section 4(10) which the seller would not legally be required to pay, collect, or remit State or local sales and use taxes without the authority provided by this Act.

(9) REMOTE SELLER.—The term ''remote seller'' means a person that makes remote sales in the State without a physical presence. For purposes of this paragraph, a person has a physical presence in a State only if such person's business activities in the State include any of the following during such person's tax able year:

(A) Being an individual physically in the State, or assigning one or more employees to be in the State.

(B) Using the services of an agent (excluding an employee) to establish or maintain the market in the State, if such agent does not perform business services in the State for any other person during such taxable year.

(c) The leasing or owning of tangible personal property or of real property in the State.

For purposes of this paragraph, the term ''physical presence' '' shall not include presence in a State for less than 15 days in a taxable year (or a greater number of days if provided by State law), or presence in a State to conduct limited or transient business activity.

(10) SOURCED.—For purposes of a State granted authority under section 2(b), the location to which a remote sale is sourced refers to the location where the product or service sold is received by the purchaser, based on the location indicated by instructions for delivery that the purchaser furnishes to the seller. When no delivery location is specified, the remote sale is sourced to the customer's address, including the customer's place of primary use that is either known to the seller or, if not known, obtained by the seller during the consummation of the transaction, including the address of the customer's payment instrument if no other address is available. If an address or place of primary use is unknown and a billing address cannot be obtained, the remote sale is sourced to the address of the seller from which the remote sale was made. The term "received" means taking possession of product or making first use of services. A State granted authority under section 2(a) shall comply with the sourcing

provisions of the Streamlined Sales and Use Tax Agreement.

(11) STATE.—The term ''State'' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States.

(12) STREAMLINED SALES AND USE TAX AGREEMENT.—The term ''Streamlined Sales and Use Tax Agreement'' means the multistate agreement with that title adopted on November 12, 2002, as in effect on the date of the enactment of this Act and as further amended from time to time.

SEC. 5. SEVERABILITY.

If any provision of this Act, or the application of such provision to any person or circumstance, is held to be unconstitutional, then the remainder of this Act, and the application of the provisions of such to any person or circumstance, shall not be affected thereby.

115TH CONGRESS
1ST SESSION

H. R. 2887

To regulate certain State impositions on interstate commerce.

IN THE HOUSE OF REPRESENTATIVES
JUNE 12, 2017

Mr. SENSENBRENNER (for himself, Mr. GOODLATTE, Mr. DESJARLAIS, Mr. MCCLINTOCK, Mr. GROTHMAN, Mr. MEADOWS, Mr. CONAWAY, and Mr. TROTT) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To regulate certain State impositions on interstate commerce.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "No Regulation Without Representation Act of 2017".

SEC. 2. MINIMUM JURISDICTIONAL STANDARDS FOR STATE AND LOCAL TAXATION AND REGULATION OF ITEMS IN INTERSTATE COMMERCE.

(a) IN GENERAL.—To the extent otherwise permissible under Federal law, a State may tax or regulate a person's activity in interstate commerce only when such person is physically present in the State during the period in which the tax or regulation is imposed.

(b) REQUIREMENTS FOR PHYSICAL PRESENCE.—

(1) IN GENERAL.—For purposes of subsection (a), a person has a physical presence in a State only if such person's business activities in the State include any of the following during the calendar year—

(A) maintaining its commercial or legal domicile in the State;

(B) owning, holding a leasehold interest in, or maintaining real property such as an office, retail store, warehouse, distribution center, manufacturing operation, or assembly facility in the State;

(C) leasing or owning tangible personal property (other than computer software) of more than de minimis value in the State;

(D) having one or more employees, agents, or independent contractors present in the State who provide on-site design, installation, or repair services on behalf of the remote seller;

(E) having one or more employees, exclusive agents or exclusive independent contractors present in the State who engage in activities that substantially assist the person to establish or maintain a market in the State; or

(F) regularly employing in the State three or more employees for any purpose.

(2) DE MINIMIS PHYSICAL PRESENCE.—For purposes of this section, the term "physical presence" shall not include—

(A) entering into an agreement under which a person, for a commission or other consideration, directly or indirectly refers potential purchasers to a person outside the State, whether by an Internet-based link or platform, Internet Web site or otherwise;

(B) any presence in a State, as described in section 2(b)(1), for less than 15 days in a taxable year (or a greater number of days if provided by State law);

(C) product placement, setup, or other services offered in connection with delivery of products by an interstate or in-State carrier or other service provider;

(D) Internet advertising services provided by in-State residents which are not exclusively directed towards, or do not solicit exclusively, in-State customers;

(E) ownership by a person outside the State of an interest in a limited liability company or similar entity organized or with a physical presence in the State;

(F) the furnishing of information to customers or affiliates in such State, or the coverage of events or other gathering of information in such State by such person, or his representative, which information is used or disseminated from a point outside the State; or

(G) business activities directly relating to such person's potential or actual purchase of goods or services within the State if the final decision to purchase is made outside the State.

(c) PROTECTION OF NON-SELLERS.—A State may not impose or assess a sales, use, or similar tax on a person or impose an obligation to collect or report any information with respect thereto, unless such person is either a purchaser or a seller having a physical presence in the State.

SEC. 3. DISPUTE RESOLUTION.

The district courts of the United States shall have original jurisdiction over civil actions to enforce the provisions of this Act, including authority to issue declaratory judgments pursuant to section 2201 of title 28, United States Code, and, notwithstanding the provisions of section 1341 of such title, injunctive relief, as necessary to carry out any provision of this Act.

SEC. 4. DEFINITIONS AND EFFECTIVE DATE.

(a) DEFINITIONS.—For purposes of this Act:

(1) MARKETPLACE PROVIDER.—The term “marketplace provider” includes any person, other than a seller, who facilitates a sale. For purposes of this subsection, a person facilitates a sale when the person both—

(A) lists or advertises products for sale in any forum, including a catalog or Internet Web site; and

(B) either directly or indirectly through agreements or arrangements with third parties, collects gross receipts from the customer and transmits those receipts to the marketplace seller, whether or not such person deducts any fees or other amounts from those receipts prior to transferring them to the marketplace seller.

(2) MARKETPLACE SELLER.—The term "marketplace seller" means a person that has any sales facilitated by a marketplace provider.

(3) PERSON.—The term "person" has the meaning given such term by section 1 of title 1, United States Code. Each corporation that is a member of a group of affiliated corporations, whether unitary or not, is itself a separate person.

(4) PRODUCT.—The term "product" includes any good or service, tangible or intangible.

(5) REFERRER.—The term "referrer" shall mean every person who—

(A) contracts or otherwise agrees with a seller to list multiple products for sale and the sales prices thereof in any forum, including a catalog or Internet Web site;

(B) receives a fee, commission, or other consideration from a seller for the listing;

(C) transfers, via telephone, Internet link, or otherwise, a customer to the seller or the seller's Web site to complete a purchase; and

(D) does not collect receipts from the customer for the transaction.

(6) REGULATE.—The term "regulate" means to impose a standard or requirement on the production, manufacture or post-sale disposal of any product sold or offered for sale in interstate commerce as a condition of sale in a State when—

(A) such production or manufacture occurs in another State;

(B) such requirement is in addition to the requirements applicable to such production or manufacture pursuant to Federal law and the laws of the State and locality in which such production or manufacture occurs;

(C) such imposition is not otherwise expressly permitted by Federal law; and

(D) such requirement is enforced by a State's executive branch or its agents or contractors.

(7) SELLER.—The term "seller" does not include—

(A) any marketplace provider (except with respect to the sale through the marketplace of products owned by the marketplace provider);

(B) any referrer;

(C) any carrier, in which the seller does not have an ownership interest, providing transportation or delivery services with respect to tangible personal property; and

(D) any credit card issuer, transaction or billing processor, or other financial intermediary.

(8) SIMILAR TAX.—The term "similar tax" means a tax that is imposed with respect to the sale or use of a product, regardless of whether the tax is imposed on the person making the sale or the purchaser, with the right or obligation of the person making the sale to obtain reimbursement for the amount of the tax from the purchaser at the time of the transaction.

(9) STATE.—The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States and includes any political subdivision thereof.

(10) TAX.—The term "tax" means to—

(A) impose an obligation on a person for—

(i) the collection of a sales, use, or similar tax; or

(ii) the reporting of any information with respect thereto;

(B) assess a sales, use or similar tax on a person;

(C) treat a person as doing business in a State for purposes of such a tax; or

(D) impose on a business or its non-resident owners, directly or indirectly through mechanisms such as combined reporting or consolidated returns, a net income tax or any other business activity tax measured by the amount of, or economic results of, business or related activity conducted in or derived from sources in the State.

(b) EFFECTIVE DATE.—This Act shall apply with respect to calendar quarters beginning on or after January 1, 2018.

A motion by Wyoming to amend the Agreement to allow the Governing Board to enter into contracts with nonmember states for various purposes.

Section 806: AGREEMENT ADMINISTRATION

Authority to administer the Agreement shall rest with the Governing Board comprised of representatives of each member state. Each member state may appoint up to four representatives to the Governing Board. The representatives shall be members of the executive or legislative branches of the state or of a local government of that state. Each member state shall be entitled to one vote on the Governing Board. Except as otherwise provided in the Agreement, all actions taken by the Governing Board shall require an affirmative vote of a majority of the Governing Board present and voting. The Governing Board shall determine its meeting schedule, but shall meet at least once annually. The Governing Board shall provide a public comment period at each meeting to provide members of the public an opportunity to address the board on matters relevant to the administration or operation of the Agreement. The Governing Board shall provide public notice of its meetings at least thirty days in advance of such meetings. The Governing Board shall promulgate rules establishing the public notice requirements for holding emergency meetings on less than thirty days' notice. The Governing Board may meet electronically.

The Governing Board is responsible for the administration and operation of the Agreement, including the appointment of all manner of committees. The Governing Board may employ staff, advisors, consultants or agents. The Governing Board may issue interpretive opinions and promulgate such rules it deems necessary to carry out its responsibilities. Rules may take one of two forms: procedural rules, which shall require an affirmative vote of a majority of the Governing Board present and voting to adopt; and interpretative rules which shall require an affirmative vote of three-fourths of the entire Governing Board to adopt. The Governing Board may enter into contracts with non-member states. The Governing Board may take any action that is necessary and proper to fulfill the purposes of the Agreement. The Governing Board may allocate the cost of administration of the Agreement among the member states and nonmember states contracting with the Governing Board.

The Governing Board may assign committees certain duties, including, but not limited to:

A. Responding to questions regarding the administration of the Agreement;

B. Preparing certification requirements and coordinating the certification process for CSPs;

A motion by Wyoming to amend the Agreement to allow the Governing Board to enter into contracts with nonmember states for various purposes.

C. Coordinating joint audits;

D. Issuing requests for proposals;

E. Coordinating contracts with member states and providers; ~~and~~

F. Maintaining records for the Governing Board; and

G. Entering into contracts with nonmember states for purposes including, but not limited to:

1. Use of the central registration system;

2. Coordinating negotiation of the CSP contracts; and

~~F.~~ 3. Certifying the CSPs .

See Compiler's Notes for history.

Section 1103: LIMITED BINDING AND BENEFICIAL EFFECT

A. This Agreement binds and inures only to the benefit of the member states and the nonmember states with whom the Governing Board contracts. No person, other than a member state and nonmember state with whom the Governing Board contracts, is an intended beneficiary of this Agreement. Any benefit to a person other than a state is established by the laws of the member states and not by the terms of this Agreement.

B. Consistent with subsection (A), no person shall have any cause of action or defense under the Agreement or by virtue of a member state's approval of the Agreement. No person may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of any member state, or any political subdivision of a member state on the ground that the action or inaction is inconsistent with the Agreement.

C. No law of a member state, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement.

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to Section 305.

Section 305: LOCAL RATE AND BOUNDARY CHANGES

Each member state that has local jurisdictions that levy a sales or use tax shall:

A. Provide that local rate changes will be effective only on the first day of a calendar quarter after a minimum of sixty days' notice to sellers.

B. Apply local sales tax rate changes to purchases from printed catalogs wherein the purchaser computed the tax based upon local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of one hundred twenty days' notice to sellers.

C. For sales and use tax purposes only, apply local jurisdiction boundary changes only on the first day of a calendar quarter after a minimum of sixty days' notice to sellers.

D. Provide and maintain a database that describes boundary changes for all taxing jurisdictions. This database shall include a description of the change and the effective date of the change for sales and use tax purposes.

E. Provide and maintain a database of all sales and use tax rates for all of the jurisdictions levying taxes within the state. For the identification of states, counties, cities, and parishes, codes corresponding to the rates must be provided according to Federal Information Processing Standards (FIPS) as developed by the National Institute of Standards and Technology. For the identification of all other jurisdictions, codes corresponding to the rates must be in the format determined by the Governing Board.

F. Provide and maintain a database that assigns the proper tax rates and jurisdictions to each five digit and nine digit zip code within a member state ~~to the proper tax rates and jurisdictions~~. The state must apply the lowest combined tax rate imposed in the zip code area if the area includes more than one tax rate in any level of taxing jurisdictions. If a nine digit zip code designation is not available for a street address or if a seller or CSP is unable to determine the nine digit zip code designation applicable to a ~~purchase~~ transaction after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five digit zip code area. ~~For the purposes of this section, there is a rebuttable presumption that a seller or CSP has exercised due diligence if the seller has attempted to determine the nine digit zip code designation by utilizing software approved by the Governing Board that makes this designation from the street address and the five digit zip code applicable to a purchase.~~

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to Section 305.

For the purposes of this section, there is a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the Governing Board that makes this assignment from the zip code information applicable to the transaction.

G. Have the option of providing address-based boundary database records for assigning taxing jurisdictions and their associated rates which shall be in addition to the requirements of subsection (F) of this section. The database records must be in the same approved format as the database records pursuant to subsection (F) of this section and must meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119(a)). ~~The Governing Board may allow a member state to require sellers that register under this Agreement to use an address-based database provided by that member state.~~ If any member state develops address-based assignment database records pursuant to the Agreement, a seller or CSP ~~may~~ is required to use those database records in place of the five and nine-digit zip code database records provided for in subsection (F) of this section. If a seller or CSP is unable to determine the applicable rate and jurisdiction using an address-based database record after exercising due diligence, the seller or CSP may apply the nine digit zip code designation applicable to a ~~purchase~~transaction. If a nine-digit zip code designation is not available for a street address or if a seller or CSP is unable to determine the nine digit zip code designation applicable to a ~~purchase~~ transaction after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five digit zip code area. For the purposes of this section, there is a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the Governing Board that makes this assignment from the address and zip code information applicable to the ~~purchase~~transaction.

H. States that have met the requirements of subsection (F) may also elect to certify vendor provided address-based databases for assigning tax rates and jurisdictions. The databases must be in the same approved format as the database records pursuant to (G) of this section and must meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a)). If a state certifies a vendor address-based database, a seller or CSP may use that database in place of the database provided for in subsection (F) or (G) of this section. Vendors providing address-based databases may request certification of their databases from the Governing Board. Certification by the Governing Board does not replace the requirement that the databases be certified by the states individually.

I. Make databases provided pursuant to subsections (E), (F), (G) and (H) available to a seller or CSP by the first day of the month prior to the first day of a calendar quarter. Databases must be in a format approved by the Governing Board and available on each state's website or other location determined by the Governing Board.

A motion by Utah to amend Sections 802 and 803 of the Agreement to allow a designee of the chief executive of the state's tax agency to sign the certificate of compliance and the annual re-certification documents.

Section 802: CERTIFICATE OF COMPLIANCE

The certificate of compliance shall be signed by the chief executive of the state's tax agency, or his or her designee. The certificate of compliance shall document compliance with the provisions of the Agreement and cite applicable statutes, rules, regulations, or other authorities evidencing such compliance.

Section 803: ANNUAL RE-CERTIFICATION OF MEMBER STATES

Each member state shall annually re-certify that such state is in compliance with the Agreement. Each member state shall make a re-certification to the governing board on or before August 1 of each year after the year of the state's entry. In its annual re-certification, the state shall include any changes in its statutes, rules, regulations, or other authorities that could affect its compliance with the terms of the Agreement. The re-certification shall be signed by the chief executive of the state's tax agency or his or her designee.

A member state that cannot re-certify its compliance with the Agreement shall submit a statement of non-compliance to the governing board. The statement of non-compliance shall include any action or decision that takes such state out of compliance with the Agreement and the steps it will take to return to compliance. The governing board shall promulgate rules and procedures to respond to statements of noncompliance in accordance with Section 805.1.

Each member state shall post its annual re-certification or statement of non-compliance on that state's web site.

A motion by ________________to clarify the Agreement related to the annual recertification of member states.

Section 803: ANNUAL RE-CERTIFICATION OF MEMBER STATES

Each member state shall annually re-certify that such state is in compliance with the Agreement. Each member state shall make a re-certification to the governing board on or before August 1 of each year after the year of the state's entry based on the state's laws as of July 1. In its annual re-certification, the state shall include any changes in its statutes, rules, regulations, or other authorities that could affect its compliance with the terms of the Agreement. The re-certification shall be signed by the chief executive of the state's tax agency.

A member state that cannot re-certify its compliance with the Agreement as of July 1 of the current year shall submit a statement of non-compliance to the governing board. The statement of non-compliance shall include any action or decision that takes such state out of compliance with the Agreement and the steps it will take to return to compliance. The governing board shall promulgate rules and procedures to respond to statements of noncompliance in accordance with Section 805.1.

Each member state shall post its annual re-certification or statement of non-compliance on that state's web site.

A motion by ____________ to amend the Library of Definitions to provide definitions of children and adult diapers.

CLOTHING

"Clothing" means all human wearing apparel suitable for general use. The following list contains examples and is not intended to be an all-inclusive list.

A. "Clothing" shall include:

1. Aprons, household and shop…

10. Diapers, children and adult, including disposable diapers;…

B. "Clothing" shall not include…

C. A member state may exclude items under subsection A.10, "Diapers, children and adult, including disposable diapers," from the definition of "clothing." A state may limit the exclusion to children or adult diapers. "Diaper" means an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements. <u>"Children's diapers" means diapers that are generally designed to be worn by children under age five. "Adult diapers" means diapers other than children's diapers.</u>

Motion by South Dakota to adopt the following disclosed practices to Appendix E of the Agreement related to the Classification of Various Medical Related Products

Streamlined Sales Tax – SLAC
Disclosed Practice Number 7 – Classification of Medical Products

The Streamlined Sales Tax Governing Board (SSTGB) previously adopted Appendices L and M to the SSTGB Rules and Procedures. Those Appendices identify the definition contained in the Streamlined Sales and Use Tax Agreement under which each of the products listed in the Appendices are classified. A consensus on how some of the products identified in those Appendices was not reached and those products are identified as "Not Defined" in Appendices L and M. Appendices L and M have been combined into one appendix that is referred to as Appendix L.

These tax administration practices identify how each state classifies the products identified as "Not Defined" in Appendix L, **but do not indicate the taxability of those products.**

Disclosed Practice 7.1 – Does the State Classify One or More of the "Not Defined" Products Under an SSUTA or State-Specific Definition

Explanation: *States may classify one or more of the "Not Defined" products listed in Appendix L under one of the SSUTA definitions or a state-specific definition, other than "tangible personal property."*

Disclosed Practice 7.1 – Does the state classify any of the products listed in Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition?

If yes, see Disclosed Practice 7.2 for the classification. If no, the state does not need to complete Disclosed Practice 7.2.

Disclosed Practice 7.2 – Classification of "Not Defined" Products Under an SSUTA or State-Specific Definition Other Than Tangible Personal Property

Explanation: *States that classify one or more of the products listed in this Disclosed Practice under one of the SSUTA definitions or a state-specific definition, other than "tangible personal property," need to indicate the definition or classification of those products in their state.*

Disclosed Practice 7.2 – Place an "N" in the SSUTA Defined Term and State-Specific Defined Term columns if the product is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term. Place a "Y" in the appropriate column if the product is classified under one of those terms, provide the appropriate statute/rule cite and indicate in the "Comment" column the defined term under which the product is classified.

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

D. Tax Administration Practices on Medical Products Identified in SSTGB Rules and Procedures Appendix L as "Not Defined" from Appendix E of the SSUTA			Does Your State Follow this Practice?		Add Additional Comments if Desired	
Reference Number	**Disclosed Practice 7 – Classification of Medical Products in Appendix L Identified as "Not Defined"**					
Disclosed Practice 7	**Classification of Medical Products in Appendix L Identified as "Not Defined"**		**Yes**	**No**	**Statute/Rule Cite**	**Comment**
Medical Products 7.1	Does the state classify any of the items listed below in Medical Products Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition (other than tangible personal property)? If yes, see Medical Products Disclosed Practice 7.2 for the classification. If no, Medical Products Disclosed Practice 7.2 does not need to be completed.					
Medical Products 7.2	Place an "N" in the SSUTA Defined Term and State-Specific Defined Term columns if the item is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term (other than tangible personal property). Place a "Y" in the appropriate column if the item is classified under one of those terms, provide the appropriate statute/rule cite and indicate in the "Comment" column the defined term under which the item is classified. **These tax administration practices identify how each state classifies the products identified as "Not Defined" in Appendix L, but do not indicate the taxability of those products**.					
	Item	**Description**	**SSUTA Defined Term**	**State Specific Defined Term**	**Statute/Rule Cite**	**Comment,** (If applicable, indicate defined term under which the item is classified)

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.a	Air purifier					
Medical Products 7.2.b	Bed pads - Disposable - for incontinent patients	Disposable pad placed on beds to keep sheets dry and wick moisture away from the patient. Used for incontinent patients.				
Medical Products 7.2.c	Blankets					
Medical Products 7.2.d	Breast pumps					
Medical Products 7.2.e	Closed caption devices					
Medical Products 7.2.f	Cold packs and Hot packs (reusable)					
Medical Products 7.2.g	Collection bags - Body fluid collection	For collection and sending to lab for testing				
Medical Products 7.2.h	Denture adhesive					
Medical Products 7.2.i	Dialysis Bags - Peritoneal Dialysis Drain					
Medical Products 7.2.j	Dialyzers - Single Use	A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are				

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

		diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine.				
Medical Products 7.2.k	Dressings - Compression - Non Medicated	Ace Bandages				
Medical Products 7.2.l	Dressings - Elastic - Non Medicated	Non-Ace bandages to hold dressings				
Medical Products 7.2.m	Dressings - Gauze Wraps	Tube gauze, Gauze Wraps				
Medical Products 7.2.n	Dressings - General	Pads, sponges, tapes and adherents, elastic, compression, gauze				
Medical Products 7.2.o	Dressings - Non-Medicated	Dressings containing a substance which is neither a RX or OTC drug				
Medical Products 7.2.p	Dressings - Wound Care - Skin Barrier Products	Sprays, cream				
Medical Products 7.2.q	Eating utensils - Adjustable					
Medical Products 7.2.r	ECG Monitor - Implanted					
Medical Products 7.2.s	Fever thermometers - Disposable/SPU					
Medical Products 7.2.t	Gases - Non-Medical Grade					

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.u	Gases - Tanks for	Empty - Tanks only				
Medical Products 7.2.v	Glucose for Insulin Reactions	Tablets, liquid				
Medical Products 7.2.w	Infuser Bags	Pressure Infuser bags - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings - Disposable				
Medical Products 7.2.x	IV Therapy arm boards-Disposable					
Medical Products 7.2.y	IV Therapy Tourniquets - SPU	Disposable				
Medical Products 7.2.z	Laboratory equipment	Microscopes, incubators, refrigerators, centrifuges				
Medical Products 7.2.aa	Medical atomizers - Disposable	An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is disposable.				
Medical Products 7.2.ab	Medical Instruments - Disposable	Clamps, drills, endolinear cutter, forceps, retractors, scalpels, reamers, scissors, trocar				
Medical Products 7.2.ac	Nasal strips	Flexible spring like band that fits above the nostrils and lifts the sides of the nose when they try to straighten back to their original shape.				

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.ad	Needleless Drug Delivery System - Injection Guns	Disposable				
Medical Products 7.2.ae	Needles - Wound Closure - Suturing	Disposable				
Medical Products 7.2.af	Needles & Syringes - Acupuncture needles (Reusable)					
Medical Products 7.2.ag	Needles & Syringes - Needles - Aspirating					
Medical Products 7.2.ah	Needles & Syringes - Needles - Biopsy					
Medical Products 7.2.ai	Needles & Syringes - Needles - Blood Draw/Access					
Medical Products 7.2.aj	Needles & Syringes - Needles - Hypodermic					
Medical Products 7.2.ak	Needles & Syringes - Needles - Hypodermic - Insulin					
Medical Products 7.2.al	Needles & Syringes - Needles - Not Inject/Drain	Parts to machines				
Medical Products 7.2.am	Needles & Syringes - Needles/Syr Pckgd Tog					
Medical Products 7.2.an	Needles & Syringes - Syringe - Cannula Package	Interlink System -- Separate Needle-less infusion device from IV sets - Stand alone items				
Medical Products 7.2.ao	Needles & Syringes - Syringes					

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.ap	Needles & Syringes - Syringes - Insulin					
Medical Products 7.2.aq	Needles & Syringes - Syringes - Not Inject/Drain	Irrigation (Toomey), oral and ear				
Medical Products 7.2.ar	Ostomy - Barriers	Barrier prep wipes, barrier powder				
Medical Products 7.2.as	Ostomy - Cleaners / Skin Prep	Skin prep peri-wash, ostomy cleanser, cleanser deodorants, adhesive remover				
Medical Products 7.2.at	Ostomy - Lubricants	Lubricants, lubricant jelly, stoma lubricant				
Medical Products 7.2.au	Paraffin wax	Wax used in paraffin baths. Paraffin heat therapy provides moist heat to warm joints tissue and skin. Used in the treatment of arthritis and joint injuries.				
Medical Products 7.2.av	Physical Therapy -Equipment & Tools	Exerbands, weights, bikes, treadmills, rowers, parallel bars from #212				
Medical Products 7.2.aw	Resuscitators - Disposable					
Medical Products 7.2.ax	Safety equipment	Goggles, shields				
Medical Products 7.2.ay	Seat Cushions - Comfort	General use cushions that do not primarily and customarily serve a medical purpose.				

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.az	Sitz bath					
Medical Products 7.2.ba	Skin closures	These are called butterfly bandages, steri-strips, cover strips, or suture strips are variations of sterile adhesive skin closures designed to hold the edges of a skin wound together.				
Medical Products 7.2.bb	Spas, hot or cold	Spas which are available for sale to the general public and not specifically manufactured for medical purposes.				
Medical Products 7.2.bc	Staple Remover - Wound Closure	Disposable				
Medical Products 7.2.bd	Stapler - Empty - one Use Only					
Medical Products 7.2.be	Sterilizers - Chemical					
Medical Products 7.2.bf	Suction Catheter	This catheter is used for the removal of respiratory tract secretions. The catheter is inserted through tracheal and tracheostomy tubes. Four eyes at the catheter's tip serve as vacuum breakers to help prevent tissue from being pulled into the tube. Since suctioning removes the patient's air supply, suction should not exceed 10 seconds duration. Suction catheters are intended for single use only.				

Motion by South Dakota to adopt the following disclosed practices related to the classification of various medical related products to the Online Taxability Matrix

Medical Products 7.2.bg	Therapy - Cold	Cold compression				
Medical Products 7.2.bh	Therapy - Heat	Heat warmers				
Medical Products 7.2.bi	Tongue depressors					
Medical Products 7.2.bj	Transducer gel					
Medical Products 7.2.bk	Venous blood sets					
Medical Products 7.2.bl	Visually Impaired Supplies & Equipment - Other					
Medical Products 7.2.bm	X-Ray developer solution					

A motion by _______________to amend Rule 803.1 related to the annual recertification of member states.

Rule 803 – Annual Recertification

A. **Recertification Requirement.** Pursuant to Section 803 of the Agreement, each member state shall annually recertify to the Governing Board by August 1 of each year that the state is in compliance with the Agreement based on the state's laws as of July 1. A state is in compliance with the Agreement if the effect of the state's laws, rules, regulations, and policies is substantially compliant with each of the requirements set forth in the Agreement.

1. **Recertification Documents**

a. On or before August 1 of each year, each member state shall submit to the Executive Director either a statement certifying that the state is in compliance with the Agreement as it exists on July ~~August~~ 1 of the year or a statement of noncompliance.

b. ~~With~~ In addition to the statement, each member state shall~~submit~~:

(1) Have completed and approved for publishing ~~T~~the current online certificate of compliance ~~issued for the recertification period~~ that sets out the state's statutes, rules, regulations, and other authorities adopted to comply with the specific provisions of the Agreement as of July ~~August~~ 1 of the year;
(2) Submit ~~A~~a list and the effective date of any of the state's statutes, regulations, or written policies that impacts the state's compliance that have changed since July ~~August~~ 1 of the prior year;
(3) ~~Its most current~~ Have completed and approved for publishing the current online taxability matrix;
(4) Submit ~~A~~a statement disclosing any known items of noncompliance with a description of the action the state intends to take to remedy the noncompliance; and
(5) Submit ~~A~~a list of any significant administrative or judicial decisions (regardless of outcome) that impact the state's compliance since July~~August~~ 1 of the prior year.

2. **Posting documents.** Each member state shall post its statement of recertification or its statement of noncompliance and all supporting recertification documents on the state's web site on or before August 1 of each year. The Executive Director shall post all recertification filings on the Governing Board's web site.

B. **Review Responsibility.** Pursuant to Article 7, Section 2 of the bylaws, the Compliance Review and Interpretations Committee (CRIC) is responsible for reviewing each state's annual recertification filings, determining any needs for re-assessment and recommending to the Governing Board findings of non-compliance.

C. **CRIC Evaluation and Report**

1. On or before September ~~30~~ 15 of the recertification year, the Executive Director shall:

a. Review all statements and accompanying documents;

A motion by __________________to amend Rule 803.1 related to the annual recertification of member states.

b. Conduct a state-by-state review of each state's compliance with the Agreement; and
c. Issue an initial written report to CRIC listing potential compliance issues for each member state or stating there are no compliance issues. The Executive Director shall publish the initial written report on the Governing Board's web site and CRIC shall hold at least one meeting to discuss the report and schedule dates for states and the public to submit comments.

2. Providing at least fifteen ~~thirty~~ days notice, CRIC shall give states and the public the opportunity to submit written comments to CRIC. Such responses and comments shall be delivered to the Executive Director who shall notice the public of their filing and publish those documents on the Governing Board's website.

3. Providing at least ten days notice or until CRIC completes its review of a subject state's compliance, whichever is later, CRIC shall give the states and the public the opportunity to submit written comment to CRIC solely to address any issues previously raised in CRIC's report or to address comments received from the state or the public. Such responses and comments shall be delivered to the Executive Director who shall notify the public of their filing and publish those documents on the Governing Board's web site.

4. To the extent possible~~On or before November 30 of the recertification year~~, CRIC shall issue its final report to the Governing Board by ~~September~~October 3~~0~~1. Such report shall:

a. Summarize, as practical, the comments received from the member states and the public;
b. Describe how CRIC addressed those comments; and
c. State how each CRIC member voted.

5. The CRIC final report to the Governing Board may identify any known future compliance issues a member state may have if the effect of the state's laws, rules, regulation, and policies does not substantially comply with any amendment, interpretation, or interpretive rule.

6. If any date provided in this rule falls on a weekend day, federal holiday or a banking holiday in a member state, such date shall be the next day that is not a weekend day, federal holiday or banking holiday in a member state.

7. The CRIC chair, for due cause shown, may extend the ~~September 30 or November 30~~ deadlines established in this section.

D. **Review Standards**

1. Scope of Review. The member states' annual recertification of compliance covers all aspects of the Agreement, including any applicable rules and interpretations, and is not limited to changes made in the prior year.

2.**Determination of Compliance**

A motion by ________________to amend Rule 803.1 related to the annual recertification of member states.

a. A member state is presumed to be in compliance. Except as provided in paragraph b of this subsection, if documentation is provided to CRIC indicating a state is not in compliance, such state has an affirmative duty to explain how it is in compliance.

b. If an issue of a state's compliance has previously been raised against a state for which it was found in compliance that was the subject of a prior unsuccessful challenge under this paragraph, such state need only respond that it previously was held in compliance on that same issue. CRIC and the Governing Board, however, must take into consideration any documentation that supports such state is not in compliance.

3. **Reliance.** The determination of a member state being in compliance shall be based only on a review of the state's laws, regulations and written policies; such provisions listed in order of preference and reliance. Legislation shall be relied upon only if it has passed both legislative chambers (or the legislative chamber for a unicameral state) and there is no known threat of a Governor's veto. A regulation shall be relied upon only if it has been fully adopted. A written policy shall be relied upon only if it is publically accessible through the state revenue agency's web site.

E. **Public Notice.** The Executive Director shall provide notice and copies of any statements of noncompliance received by a member state and any findings of noncompliance by the CRIC to and shall solicit comments from the following parties:

1. the authorized representative of each member state;
2. the Chair of the State and Local Advisory Council;
3. the Chair of the Business Advisory Council; and
4. the general public as provided in Rule 806.2.

F. **Agenda.** If possible, by December 31 of the recertification year any statements of noncompliance from a member state and any findings of noncompliance by the CRIC shall be placed on the agenda of the Governing Board for either a regular meeting or a special meeting. In addition, upon a motion at that same meeting, the Governing Board shall determine if a state is out of compliance that did not have a finding of noncompliance by CRIC based on documentation reviewed by CRIC or submitted to the Governing Board. If a member state is found to be out of compliance by the Governing Board, the member state shall be subject to sanctions as authorized under Section 809 of the Agreement.

G. **Appeal.** If any person disagrees with the Governing Board's determination, that person may invoke the issue resolution process provided for in Article X of the Agreement.

H. **Publication of the Decisions.** Once the decision of the Governing Board becomes final, either because no appeal is filed or the appeal procedures have been exhausted, the decision shall be sent to the subject state and a copy of the decision shall be posted on the Web. The Governing Board's web site shall list the following for each state found not in compliance:
1. The date a state was found not in compliance;
2. The noncompliance issue(s);

3. The sanction(s) imposed with any timeframes; and
4. When known, the date the state will return to compliance.

Rule 803.2 – Annual Notice of Adopted Amendments

A. The Executive Director shall, no later than July 10~~December 31 of~~ each year, prepare a document containing all amendments to the Agreement which were adopted by the Governing Board from July 1 of the prior year to June 30 of the current ~~in the calendar~~ year. The Executive Director shall provide such document to every delegate of every member state, notify the State and Local Advisory Council and the Business Advisory Council and shall post such document on the Governing Board website. The document shall identify the date by which states shall be required to comply with the provisions of each such amendment.

B. As part of the recertification of member states required by Section 803, member states shall document compliance with every provision identified in the document described in subsection A of this rule that is in effect at the time of the recertification and shall cite applicable statutes, rules, regulations, or other authorities evidencing such compliance or shall certify that a provision is not relevant.

Information relating to combining Appendix L and Appendix M into a single Appendix (Appendix L)

Items in the list below that are not highlighted came from what is currently SSTGB Appendix L.
Items in the list below that are highlighted in yellow came from what is currently SSTGB Appendix M.
Items in the list below that are highlighted in green are new items that would be added to the list (nasal strips).
Items in blue represent clarifying language added to the Appendix (Seat cushions and Wheelchair cushions).

Health Care Item List - Appendix L
Approved XXXXX

This appendix was previously split between two appendices (L and M). Those appendices have been combined into this single appendix.

Item	Description of Item	Workgroup
Abdominal belts	An abdominal belt is a brace which places intra-abdominal pressure on the erector spinae and trunk muscles. The belts stiffen the truck muscles and stabilize the lumbar spine.	Prosthetic device
Abdominal binders and supports	An elastic and Velcro garment that raps around the abdomen and provides compression in the upper and lower abdomen. Binders are commonly prescribed for patients who have undergone surgery in the abdomen area. Binders provide support to surgical areas, improve blood circulation, minimize swelling after a surgical procedure, flushes the body out of potentially harmful liquids, accelerates the healing process.	Prosthetic device
Abduction, cervical, and orthodic pillows		Durable medical equipment
Access Ports	Port-a-cath	Prosthetic device
Acetabular cups	An accetabular cup is the part of a hip implant that forms the socket in the ball-and-socket structure of the hip joint.	Prosthetic device
Air purifier		Not Defined - See Disclosed Practice 7
Anesthesia machines		Durable medical equipment

DRAFT DOCUMENT FOR APPROVAL

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Item	Description of Item	Workgroup
Anesthesia Ventilators	The anesthesia ventilators are used to ventilate the lungs by mechanically inflating and deflating the lungs during surgery to aid the patient to breath during surgery. The ventilation of the lungs is the primary function of the device. The secondary function is to push through the patient's blood. These machines permit the patient to breathe when one is incapable of doing so on one's own. The device can be built into an anesthesia machine, or it can stand alone.	Durable medical equipment
Ankle brace		Prosthetic device
Anti-embolism stocking	Anti-embolism stockings are designed specifically for patients to help prevent blood from pooling in the veins of the leg. Pooling of blood in the veins of the leg may contribute to blood clots forming in the veins.	Prosthetic device
Anti-Thrombolytic Pumps		Durable medical equipment
Apnea monitors		Durable medical equipment
Aqua K pumps and pads	Therapeutic heating or cooling pads or compresses or packs	Durable medical equipment
Arch supports	A pad worn in shoes to help support the foot arch. Arch supports are prescribed for patients whose own arches do not provide enough natural support to function properly. Use of arch supports can alleviate pain and lead to proper foot function.	Prosthetic device
Artificial eyes		Prosthetic device
Artificial heart valves		Prosthetic device
Artificial larynx		Prosthetic device
Artificial limbs		Prosthetic device
Atrial valves		Prosthetic device
Audiology equipment - Diagnostic	Audiometers, Acoustic impedance meter/bridge	Durable medical equipment
Automatic external defibrillator	Portable AED's and cables	Durable medical equipment
Autotransfusion equipment		Durable medical equipment
Back braces		Prosthetic device
Bath aid - raised toilet seat		Mobility enhancing equipment
Bath aid - tub and shower stool		Mobility enhancing equipment

DRAFT DOCUMENT FOR APPROVAL

Health Care Item List - Appendix L
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Item	Description of Item	Workgroup
Bed - kodel pad	Bed pad made from kodel polyester and used on beds to help decrease pressure on the skin. Kodel pads are prescribed for patients with limited mobility and help prevent open sores in bed bound individuals. The pads are machine washable (reusable) but are limited to a single patient due to difficulty in sterilization for others.	Durable medical equipment
Bed pads - Disposable - for incontinent patients	Disposable pad placed on beds to keep sheets dry and wick moisture away from the patient. Used for incontinent patients.	Not Defined - See Disclosed Practice 7
Bed pull-up T	Bed pull-up is a rope with a handle attached to the base of the bed. The handicapped individual holds the handles to help pull himself to a sitting position or lower himself to recline. This includes Trapeze bars.	Mobility enhancing equipment
Beds - Alternating pressure pads	To eliminate bed sores	Durable medical equipment
Beds - Incubators/Isolettes		Durable medical equipment
Beds - Blanket Cradle	A blanket cradle is a steel device that fits under the mattress and is used to lift the bed sheets and blankets off the bed so that the patient is able to remain warm without bearing the weight of the sheets and blankets. Cradles are prescribed for patients with painful wound or broken bones.	Durable medical equipment
Beds - Hospital beds - bassinets	A bed used by a medical facility for infants who are too small for a hospital bed	Durable medical equipment
Beds - Hospital beds - Beds & accessories/repair parts	A single bed with a frame in 3 sections so the head middle or foot can be raised as required	Durable medical equipment
Beds - Specialty care		Durable medical equipment
Billie lights	Equipment to treat jaundice	Durable medical equipment
Birth control - IUD	Two types of IUDs are available in the United States. The copper IUD (ParaGard®) causes a change in uterine and tubal fluids so that the egg does not get fertilized. The Progestin IUS (Mirena®) has a hormonal method of action: the cervical mucus thickens, preventing the sperm from getting into the uterus and reaching the egg. 21 CFR Ch. I 310.502 (8) Intrauterine device for human use for the purposes of contraception that icorporate heavy metals, drugs, or other active substances.	Drug
Birth control (pills and implants)		Drug

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Health Care Item List - Appendix L
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Item	Description of Item	Workgroup
Blankets		Not Defined - See Disclosed Practice 7
Blood pressure equipment - Diagnostic	Sphygmometer, Cuffs, Bulbs	Durable medical equipment
Bone Cement & Wax		Prosthetic device
Bone Growth Stimulator - External - Not Worn		Durable medical equipment
Bone Growth Stimulator - External - Worn		Prosthetic device
Bone Growth Stimulator - Implanted	Stimulator - Bone	Prosthetic device
Bone Pins, Plates, Nails, Screws	Implanted or fixated items	Prosthetic device
Braces	The item appear to normally be used to brace, support, or align the skeletal or muscular system.	Prosthetic device
Breast implants		Prosthetic device
Breast prosthesis - external	Breast prosthesis "corrective or support device."	Prosthetic device
Breast pumps		Not Defined - See Disclosed Practice 7
C.P.A.P. - Not Worn	C.P.A.P "continuous positive pressure on the airway, used to correct obstructive sleep apnea".	Durable medical equipment
C.P.A.P. - Worn	C.P.A.P "continuous positive pressure on the airway, used to correct obstructive sleep apnea".	Prosthetic device
Canes		Mobility enhancing equipment
Cardiology equipment - Diagnostic	EKG, 2Equipment - Diagnostic - - Holter Monitor	Durable medical equipment
Cardiopulmonary Bypass Machine	Also known as perfusion equipment, heart lung machine, bypass machine	Durable medical equipment
Casts & Casting materials	Plaster, casting tapes, resins, fiberglass, silicone, splints, stockinettes, cast boots and shoes	Prosthetic device
Catheters	PICC line; Hickman, Broviac	Prosthetic device

Health Care Item List - Appendix L

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Item	Description of Item	Workgroup
Cauterization equipment	Bovie	Durable medical equipment
Cervical collars		Prosthetic device
Chair scales		Durable medical equipment
Closed caption devices		Not Defined - See Disclosed Practice 7
Cochlear Implant	A cochlear implant bypasses the damaged part of the ear and sends sound directly to the auditory (hearing) nerve. It is different from a hearing aid in that it doesn't make sounds louder.	Prosthetic device
Cofflator	Artificial inhalation equipment	Durable medical equipment
Cold packs and Hot packs (reusable)		Not Defined - See Disclosed Practice 7
Collagen implants	Collagen-based implants and injectables fill in the area where collagen is deficient or depleted and causes regeneration by permitting granulation and vascularization of body tissue that is defective, diseased, traumatized or otherwise aged. In effect, collagen functions as the key structural element in the regeneration of body tissue in alleviating deformity and in wound management.	Prosthetic device
Collection bags - Body fluid collection	For collection and sending to lab for testing	Not Defined - medical supply - See Disclosed Practice 7
Collection basins	Urinals - Urine containers / Bedpans / Emesis Basins	Durable medical equipment
Commodes	Versatile model serves as toilet safety frame, raised toilet seat, or stationary commode for use outside the bathroom. Features snap-on seat and lid, splash shield, removable backrest with wing nuts, nonskid rubber tips, and armrests for added comfort.	Durable medical equipment
Contact lens solutions		OTC Drug
Contact lenses		Prosthetic device
Continuous Passive Motion Devices	Continuous Passive Motion (CPM) devices are a controlled treatment modality used to provide early, gentle motion of the upper or lower limb following a surgical procedure. CPM machines are commonly prescribed for patients who have undergone knee, shoulder or hip replacement surgeries as well as other joint surgeries.	Durable medical equipment

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Item	Description of Item	Workgroup
Contraceptives	Creams, foams, and jellies, medicated condoms	OTC Drug
Corrective eyeglasses (non prescription)		Prosthetic device
Cotton Swabs - Medicated - OTC	Non Legend Drug	OTC Drug
Cotton Swabs - Medicated - RX	Legend Drug	Drug
Crash carts - Stocked	Braslow carts, Resuscitation carts	Durable medical equipment
Crutches		Mobility enhancing equipment
Defibrillator & Leads - Implanted	Sends electric signals to a heart that's beating to slow, same as a pacemaker. It can also deliver an electric shock to help restore a normal heartbeat to a heart that's beating chaotically and too fast. Cardiac defibrillation is a way to return an abnormal heartbeat to normal.	Prosthetic device
Denture adhesive		Not Defined - See Disclosed Practice 7
Denture cleaners		Grooming & Hygiene
Dermal fillers - Injectables	Dermal fillers are prescription-only injectable substance comprised of collagen (human or bovine) or hyaluronic acid that are used to treat a variety of skin contour defects, as well as stress urinary incontinence, facial lipoatrophy (loss of subcutaneous fat) resulting from disease and perlèche, a condition where deep cracks and splits form at the corners of the mouth that can bleed when the mouth is opened. Collagen is a protein that appears throughout the body in skin, connective tissue, cartilage and bone. Hyaluronic acid is a polysaccharide (a form of complex carbohydrate) that is found in many tissues of the body such as skin, cartilage, and the vitreous humor (center of the eyeball).	Drug
Dialysis Bags - Peritoneal Dialysis Drain		Not Defined - See Disclosed Practice 7
Dialysis Catheters - Hemodialysis		Prosthetic device
Dialysis Catheters - Peritoneal		Prosthetic device
Dialysis Dialysate Solution		Drug

Health Care Item List - Appendix L

Approved XXXXX

This appendix was previously split between two appendices (L and M). Those appendices have been combined into this single appendix.

Item	Description of Item	Workgroup
Dialyzers - Single Patient - Multiple Use	A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine	Durable medical equipment
Dialyzers - Single Use	A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine	Not Defined - See Disclosed Practice 7
Diapers - Adults	Incontinence	Clothing
Diapers - Infant		Clothing
Drainage catheters	Hollow tubes that are temporarily placed in the patient to eliminate fluid.	Prosthetic device
Drainage catheters - Urinary	Foleys	Prosthetic device
Drainage drains	Penrose	Prosthetic device
Drainage shunts		Prosthetic device
Dressings - Compression - Non Medicated	Ace Bandages	Not Defined - See Disclosed Practice 7
Dressings - Elastic - Non Medicated	Non-Ace bandages to hold dressings	Not Defined - See Disclosed Practice 7
Dressings - Gauze Wraps	Tube gauze, Gauze Wraps	Not Defined - See Disclosed Practice 7
Dressings - General	Pads, sponges, tapes and adherents, elastic, compression, gauze	Not Defined - See Disclosed Practice 7
Dressings - Medicated - OTC	Elastic, Compression, Gauze Wraps	OTC Drug
Dressings - Medicated - RX	Elastic, Compression, Gauze Wraps	Drug
Dressings - Non-Medicated	Dressings containing a substance which is neither a RX or OTC drug	Not Defined - See Disclosed Practice 7
Dressings - Wound Care - Skin Barrier Products	Sprays, cream	Not Defined - See Disclosed Practice 7

Health Care Item List - Appendix L
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This appendix was previously split between two appendices (L and M). Those appendices have been combined into this single appendix.

Item	Description of Item	Workgroup
Drugs - Contrast media	Visipaque, radiopaques	Drug
Drugs - Over-the-counter	Benadryl, Aspirin, Betadine	OTC Drug
Drugs - Prescription (Legend)	Federal legend drugs including biologicals	Drug
Drugs - Radioactive isotopes	Implanted seeds	Drug
Drugs - Solutions - Ad Mixture	Sterile Water - 1cc, 5cc, 10cc vials, Sterile Normal Saline (.9%) - 1cc, 5cc, 10cc vials	Drug
Drugs - Solutions - Irrigation	Sterile Water, Sterile Normal Saline (.9%) - in larger volumes such as liter bottles, or large volume infusion bags	Drug
Drugs - Solutions - IV	Does not include tubings, administration sets, needles, etc., Normal Salines - .9%, .Equipment - Diagnostic - 5%, .33%, D5W, etc.	Drug
Ear, Nose & Throat implants	Any item that is implanted in the ear, nose or throat.	Prosthetic device
Eating utensils - Adjustable		Not Defined - See Disclosed Practice 7
ECG Monitor - Implanted		Not Defined - See Disclosed Practice 7
EEG		Durable medical equipment
Enteral - Feeding Bags - Disposable	Enteral bags are sold separately from the food and are used for individuals who are fed enteral formula either through a tube or catheter. The bags are used generally for up to a 24 hour period which will encompass numerous feedings and are then disposed.	Durable medical equipment
Enteral - Feeding Connectors	Locks, Clamps, Connectors	Durable medical equipment
Enteral - Feeding Tubing	Nasal - The tubing may be used for several days and connects the pump to the patient's entry site.	Durable medical equipment
Enteral Nutrition	Nutritional formulas - Including drug facts box	OTC Drug
Enteral Nutrition	Nutritional formulas - No drug facts box	Food
Enteral pumps and I.V. Stands	Enteral pumps and I.V. stands are items used to administer nutrition given to the patient through a tube that is inserted into the stomach or the small intestine.	Durable medical equipment

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Item	Description of Item	Workgroup
Exam tables		Durable medical equipment
Eyeglasses (prescription)		Prosthetic device
Feeding Catheters		Prosthetic device
Feeding Plugs	The plug is used to prevent accidental disconnection of the pump from the stomach tube (G tube). The plug is reusable by the patient but is not used for others.	Durable medical equipment
Feeding Systems - See Breakdown below	Total Parenteral and Enteral Nutrition Systems	
Fever thermometers - Disposable/SPU		Not Defined - See Disclosed Practice 7
Fever thermometers - Reusable	Thermometers, related parts	Durable medical equipment
First aid products and kits		Bundling Determination
Foley catheter	The Foley catheter is an indwelling urinary catheter retained in the bladder by a balloon inflated with air or liquid. Separate lumens are incorporated within the round shaft of the catheter for drainage of urine, inflation, and introduction of irrigating solutions into the Bladder.	Prosthetic device
Gases - Medical Grade	Air, Carbon Dioxide, Helium, Nitrogen, Oxygen	Drug
Gases - Medical grade - Nitrous Oxide		Drug
Gases - Medical grade - Oxygen		Drug
Gases - Non-Medical Grade		Not Defined - See Disclosed Practice 7
Gases - Tanks for	Empty - Tanks only	Not Defined - See Disclosed Practice 7

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Item	Description of Item	Workgroup
Gastric Bands	Gastric bands are used to correct morbid obesity in patients that are generally unable to regulate their caloric intake. They are prescription-only implanted devices that are placed around the top portion of the stomach via a minimally invasive "keyhole" or laparoscopic surgical procedure. The placement of the band creates a small pouch at the top of the stomach that holds a volume of approximately 50 milliliters. The pouch fills quickly with food and also slows the passage of partially digested food from the top to the bottom of the stomach. As the upper part of the stomach believes it is "full" or satiated, the message to the brain is that the stomach is full and this sensation of satiation helps the person to eat smaller portions, eat less and therefore lose weight over time.	Prosthetic device
Glucose for Insulin Reactions	Tablets, liquid	Not Defined - See Disclosed Practice 7
Glucose meters	Blood sugar monitor	Durable medical equipment
Grafts	Vascular, Dacron	Prosthetic device
Handrails & Grab Bars	Hand rails and grab bars "to assist in rising from commode, tub or shower".	Mobility enhancing equipment
Hands & Feet implants		Prosthetic device
Head halters		Prosthetic device
Hearing aids	Hearing aid batteries are considered parts of hearing aids	Prosthetic device
Heat lamps	Medical heat lamps are used to generate heat over a confined and controlled area. Heat lamps are prescribed for patients whose bodies are unable to properly regulate their temperatures (i.e, a premature infant) or patients suffering from disease or illness who benefit from controlled doses of ultra violet radiation.	Durable medical equipment
Hip & Knee implants		Prosthetic device
Hydrogen peroxide		OTC Drug
ICD/Pacemaker Programmer	ICD/Pacemaker Programmer -- Used for implantable device	Durable medical equipment

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Item	Description of Item	Workgroup
Implanted Expander - Tissue & Breast	Tissue expanders are prescription-only implanted devices that are used to stimulate the growth of new skin. The expander consists of a silicone inflatable balloon implanted in a pocket created beneath the skin. Once inserted into the pocket, the incision is closed with sutures. The expander device includes a small tube and a self-sealing valve, which allows the surgeon to gradually fill the expander percutaneously (through the skin) with saline solution over a period of several weeks or months. While most commonly used in conjunction with breast reconstruction following a mastectomy (cancerous breast removal) procedure, tissue expanders are also used to facilitate replacement of skin that has been compromised due to the presence of certain skin cancers, as well as to repair skin damaged by birth defects, accidents or surgery. In certain instances, the expander remains in the body indefinitely, particularly in the case of certain types of breast reconstruction procedures.	Prosthetic device
Infra-red lamps and bulbs	Infrared lamps and bulbs are used for heat therapy, for example to promote wound healing or help reduce muscle spasms.	Durable medical equipment
Infuser Bags	Pressure Infuser bags - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings - Disposable	Not Defined - See Disclosed Practice 7
Infuser Pumps - Worn	Pressure Infuser pump - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings.	Prosthetic device
Insulin	Regular Insulin - injectable, NPH Insulin - injectable	Drug
Insulin pump	Devices worn in or on the body that delivers measured does of insulin to the uncontrolled diabetic.	Prosthetic device
Insulin Pump		Prosthetic device
Intraaortic balloon pump (IABP)	The IABP is a long tube (catheter) with a collapsed, 8-inch, sausage - shaped plastic balloon at its tip. The catheter is inserted in an artery in your groin. You will be given a shot to numb the area where the tube is inserted, but you will remain awake.	Durable medical equipment

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Item	Description of Item	Workgroup
Intragastric Balloons	Intragastric balloons are prescription-only implanted devices used to induce weight loss in morbidly obese patients. The balloon device is inserted through the esophagus and into the stomach as part of an endoscopic procedure by using a placement catheter. After positioning the device in the stomach, the balloon is inflated by introducing saline solution through the placement catheter. Once filled, the catheter is removed. The balloon has a self-sealing valve and remains inflated in the stomach. Weight loss is achieved as the balloon displaces a certain volume in the stomach (typically 400 to 700 cc's), to induce the feeling of fullness and support patients in reducing food intake	Prosthetic device
Intraveneous stands		Durable medical equipment
IV Poles	IV Poles - stretcher, bed, rolling, etc.	Durable medical equipment
IV Therapy arm boards-Disposable		Not Defined - medical supply - See Disclosed Practice 7
IV Therapy arm boards-Reusable		Durable medical equipment
IV Therapy Tourniquets - SPU	Disposable	Not Defined - See Disclosed Practice 7
Kidney dialysis machines and associated parts	Dialysis is a treatment that removes waste and excess fluid from the blood. Hemodialysis circulates blood through the dialyzer (filter) with a machine controlling the function. In Peritoneal Dialysis the abdominal cavity is filled with dialysate which remove waste and then after several hours is drained out.	Durable medical equipment
Kinetic Therapy beds	Kinetic Therapy is the continuous side to side rotation of the patient. The Kinetic Therapy beds are designed to address complications associated with immobility which include complications resulting from pulmonary and circulatory problems.	Durable medical equipment
Knee immobilizers		Prosthetic device
Laboratory equipment	Microscopes, incubators, refrigerators, centrifuges	Not Defined - See Disclosed Practice 7

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Item	Description of Item	Workgroup
Lift chairs and replacement parts	Lift chairs and replacement parts; A lift chair is an electrical chair that raises the person to a standing position and lowers the person from a standing position to a sitting position. This item is used when the handicap individual's natural ability to raise or lower himself is either totally or partially impaired.	Mobility enhancing equipment
Lithotripters		Durable medical equipment
Mammography equipment - Diagnostic		Durable medical equipment
Mastectomy surgical bra	Device for support after corrective surgery or for support.	Prosthetic device
Maxillofacial Devices - Implanted	Maxillofacial Prosthetics is a subspecialty of Prosthodontics. Specially trained experts seek to correct defects in the maxillofacial area (area of the head, face or jaw), resulting from tumors, cancer surgery, traumatic injuries and birth defects. Prostheses are made of human tissue or artificial materials, and include eyes, ears, noses and special devices to improve speech and swallowing.	Prosthetic device
Medical atomizers - Disposable	An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is disposable.	Not Defined - See Disclosed Practice 7
Medical atomizers - Reusable	An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is reusable.	Durable medical equipment
Medical Instruments - Disposable	Clamps, drills, endolinear cutter, forceps, retractors, scalpels, reamers, scissors, trocar	Not Defined - See Disclosed Practice 7
Medical Instruments - Reusable	Clamps, drills, forceps, retractors, scalpels, reamers, scissors	Durable medical equipment
Medical kits, trays, and packs	Bundling issue	Bundling Determination
Membranes implants	Neuro, Spinal, Joint	Prosthetic device
Mobility Enhancing Car Seats	Car seats that provide restraint and support systems (five point harnesses) for disabled children who have outgrown standard size child car seats but still need the restraint and support provided by car seats.	Mobility enhancing equipment

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Monitors - Stationary	Remote equipment at nurses station to monitor equipment in patient's rooms.	Durable medical equipment
MRI/CT	Non-Ferrous equipment, etc	Durable medical equipment
Nasal Strips	Flexible spring like band that fits above the nostrils and lifts the sides of the nose when they try to straighten back to their original shape.	Not Defined - See Disclosed Practice 7
Needleless Drug Delivery System - Injection Guns	Reusable	Durable medical equipment
Needleless Drug Delivery System - Injection Guns	Disposable	Not Defined - See Disclosed Practice 7
Needles - Wound Closure - Suturing	Disposable	Not Defined - See Disclosed Practice 7
Needles & Syringe - Drug Filled		Bundling Determination
Needles & Syringes - Acupuncture needles (Reusable)		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Aspirating		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Biopsy		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Blood Draw/Access		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Hypodermic		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Hypodermic - Insulin		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles - Not Inject/Drain	Parts to machines	Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Needles/Syr Pckgd Tog		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Syringe - Cannula Package	Interlink System -- Separate Needle-less infusion device from IV sets - Stand alone items	Not Defined - medical supply - See Disclosed Practice 7

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Needles & Syringes - Syringes		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Syringes - Insulin		Not Defined - medical supply - See Disclosed Practice 7
Needles & Syringes - Syringes - Not Inject/Drain	Irrigation (Toomey), oral and ear	Not Defined - medical supply - See Disclosed Practice 7
Nerve Stimulators - Implanted with Leads	Stimulator - Nerve & Leads - For pain and nonpain - Used to treat epilepsy, Parkinson, incontinence	Prosthetic device
Nerve Stimulators - Programmer	Nerve Stim Programmer & Leads -- Used for implantable device	Durable medical equipment
Ocular implants	Intraocular and cataract	Prosthetic device
Opthalmascopes	For the eye	Durable medical equipment
Orbital implants		Prosthetic device
Orthobiologics implants	Processed Human bone	Prosthetic device
Orthopedic shoes, shoe lifts, inserts, arch supports, heel protector		Prosthetic device
Ostomy - Adhesives	Cement, liquid adhesive, disc tape, gasket sealer	Prosthetic device
Ostomy - Barriers	Barrier wafer, barrier seal ring, barrier protective film, barrier paste, barrier stomahesive	Prosthetic device
Ostomy - Barriers	Barrier prep wipes, barrier powder	Not Defined - See Disclosed Practice 7
Ostomy - Catheter	Catheter & Catheter leg strap	Prosthetic device
Ostomy - Cleaners / Skin Prep	Skin prep peri-wash, ostomy cleanser, cleanser deodorants, adhesive remover	Not Defined - See Disclosed Practice 7
Ostomy - Collection leg bag & pouches	Leg bags, Drain bags, Pouches	Prosthetic device
Ostomy - Drain tube and valve		Prosthetic device
Ostomy - Lubricants	Lubricants, lubricant jelly, stoma lubricant	Not Defined - See Disclosed Practice 7
Ostomy - Other	Irrigation set	Durable medical equipment

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Item	Description of Item	Workgroup
Ostomy - Other	Stoma cap, tubing, belt, hernia belt	Prosthetic device
Ostomy Products - See Breakout below:	Colostomy, urostomy, ileostomy, urological	
Otoscopes	For the ear	Durable medical equipment
Overbed table and tray		Durable medical equipment
Oxygen Delivery -Respiratory Equipment		Durable medical equipment
Oxygen Tents/Bed		Durable medical equipment
Pacemaker	Devices that replace all or part of an internal body organ or replace all or part of the function of a permanently inoperative or malfunctioning internal body organ.	Prosthetic device
Pacemaker - Not Implanted - Not Worn	This pacemaker is completely external and is connected to a device which is not worn in or on the body.	Durable medical equipment
Pacemaker - Not Implanted - Worn	This pacemaker has leads guided into the heart through an incision in the neck or chest with the external generator worn on the body in a small patch and the device fits in a pocket.	Prosthetic device
Pacemaker Transmitter		Durable medical equipment
Pacemakers & Leads		Prosthetic device
Paraffin wax	Wax used in paraffin baths. Paraffin heat therapy provides moist heat to warm joints tissue and skin. Used in the treatment of arthritis and joint injuries.	Not Defined - See Disclosed Practice 7
Parenteral - Feeding Bags - Disposable	Parenteral bags are sold separately from the contents and are used for individuals who are unable to consume food through normal means and require nutrition (fluids, fats, vitamins & drugs) being administered by intravenously through an IV pump. The bags are used for up to a 24 hour period and are then disposed.	Durable medical equipment
Parenteral - Feeding Connectors	Locks, Clamps, Connectors	Durable medical equipment
Parenteral - Feeding Tubing	The tubing may be used for several days and connects the pump to the patient's entry site.	Durable medical equipment
Parenteral Nutrition	Nutritional formulas - All on prescription	Drug

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Parenteral pumps and I.V. Stands	Parenteral pumps and I.V. stands are items used to administer total parenteral nutrition ("TPN") products. TPN is a therapy used by patients who could no longer ingest or digest solid foods. Usually this condition is a result of removal of a large portion of the intestine. TPN products are delivered intravenously. The I.V. stand and pump are necessary for the parenteral nutrition system to work properly.	Durable medical equipment
Patient lift	Hydraulic or electric lift used to raise and transfer patient from bed to chair, wheelchair, commode or bathtub.	Mobility enhancing equipment
Patient positioners		Durable medical equipment
Penile Pump	External vacuum system that restores sexual function in impotent men. System includes a pump and constriction rings. The pump fits over the penis and assists men in achieving erections. Once erection is achieved, a constriction ring is placed on the penis to sustain the erection.	Prosthetic device
Percussor	Vibrating machine used to break up tenacious secretions in patients (who are) unable to cough effectively.	Durable medical equipment
Physical Therapy -Equipment & Tools	Exerbands, weights, bikes, treadmills, rowers, parallel bars from #212	Not Defined - See Disclosed Practice 7
Platelet separator	Platelet sequestration, cell savers	Durable medical equipment
Povidone Iodine (PVP)		OTC Drug
Pressure garments	Edema gloves, mast pants, burn garments	Prosthetic device

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Item	Description of Item	Workgroup
Pressure reduction therapy beds	Pressure Reduction Therapy is used primarily in the treatment of pressure ulcerations, severe burns, skin graphs and open wounds resulting from massive trauma. These beds provide redistribution of the patient's weight and reduction in surface interface pressures, thereby maintaining proper blood flow. The beds included in this group are comprised of a series of cushions that are fed by a manifold that is attached to a blower or motor that pushes air through the cushions. This treatment also helps to prevent the development of additional pressure ulcerations and helps to provided wound infection control. Patients suffering from long-term immobility suffer from increased pressure between the skin and the support surface on which they are placed. This pressure causes the compression of the patient's tissues between the support surface and the patient's bone resulting in the reduction of blood flow to the affected areas. After a period of time, generally a matter of minutes, toxins and chemical wastes produced by the body's tissues along with oxygen deprivation result in the necrosis or death of the affected tissues.	Durable medical equipment
Programable Drug Infusion Device	Isomed, Synchromed	Prosthetic device
Programmable drug infusion pump	IVAC, PCA, Level I infusor	Durable medical equipment
Radiology equipment - Diagnostic	X-Ray, Lead shields, lead garments	Durable medical equipment
Resp.-Pulse oximetry equipment	Pulse oximeters, blood parameter monitors	Durable medical equipment
Respiratory - Nebulizer		Durable medical equipment
Respiratory Bags - Resuscitation	A flexible air chamber, about the size of an American football, attached to a face mask via a shutter valve. When the air chamber or "bag" is squeezed, the device forces air into the patient's lungs; when the bag is released, it self-inflates, drawing in ambient air.	Durable medical equipment
Respiratory equipment	ABG machines, blood gas analyzer	Durable medical equipment
Respiratory Equipment - Not Oxygen Delivery	Equipment used in respiratory treatments excluding items used to deliver oxygen; such as sensors; analyzers	Durable medical equipment

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Item	Description of Item	Workgroup
Respiratory Humidifier	An O2 humidifier is a specialty humidifier which connects to a patients O2 equipment and mixes moist air with the O2. The humidifiers do not work as stand alone equipment and must be connected to O2 equipment. The humidifiers are prescribed for patients suffering from dry nose or throat. Humidifiers add moisture to the air and help relieve dry nose, dry throat, dry skin or lips. Humidifiers may produce cold or hot mists. Humidifiers are commonly prescribed for patients with respiratory illnesses or diseases.	Durable medical equipment
Resuscitators - Disposable		Not Defined - See Disclosed Practice 7
Resuscitators - Reusable		Durable medical equipment
Rubbing Alcohol		OTC Drug
Safety equipment	Goggles, shields	Not Defined - See Disclosed Practice 7
Salem sump with anti-reflux valve -	The Salem sump is a tube which is inserted in the nose and runs into the stomach. It is primarily used to remove the contents of the stomach. It can also be used to instill liquid food or other substances into the stomach. Filling and emptying the stomach are functions of the body.	Prosthetic device
Scooters & Transporters		Mobility enhancing equipment
Scopes & Lasers	Endoscope, etc.	Durable medical equipment
Seat Cushions - Comfort	General use cushions that do not primarily and customarily serve a medical purpose.	Not Defined - See Disclosed Practice 7

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Seprafilm	Seprafilm is a unique bioresorbable membrane that serves as a barrier to separate opposing tissue within the body. The use of Seprafilm significantly reduces the incidence, severity, and extent of post-surgical adhesions which are a natural consequence of surgery and lead to serious postoperative complications. Seprafilm is inserted prior to closure of the wound to prevent the adhesion of two surfaces of tissue. Post-surgical adhesions can occur after both open and laproscopic surgery. They result from the normal process of tissue repair and form when tissue surfaces that are usually separated become united. The complications resulting from adhesion vary depending on the type of surgery involved, and can include bowel obstruction, infertility, and difficulty in reoperative procedures. Due to the serious nature of the complications, it is an important objective to reduce the occurrence of adhesion.	Prosthetic device
Shoes - Post operative		Prosthetic device
Shoulder & Elbows implants		Prosthetic device
Sitz bath		Not Defined - See Disclosed Practice 7
Skin closures	These are called butterfly bandages, steri-strips, cover strips, or suture strips are variations of sterile adhesive skin closures designed to hold the edges of a skin wound together.	Not Defined - See Disclosed Practice 7
Skin implants - Synthetic		Prosthetic device
Sleeves - Compression	Compression sleeves are prescribed for individuals with swollen limbs. The sleeves compress swollen tissues and stop fluid build up. The compression sleeves also provide support for the muscles so that they pump fluid away from the area more effectively.	Prosthetic device
Sling scales		Durable medical equipment
Slings		Prosthetic device
Spas, hot or cold	Spas which are available for sale to the general public and not specifically manufactured for medical purposes.	Not Defined - See Disclosed Practice 7
Specialty chairs	Specialty chairs are wheelchairs adapted for specific uses or functions. Examples are all terrain wheelchairs and pool wheelchairs.	Mobility enhancing equipment
Speech aids - Electronic	Worn	Prosthetic device

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Speech aids - Electronic	Hand-held, non-worn vibrator which is pressed against the neck or face so that vibrations transmit into the airway.	Durable medical equipment
Sphincters		Prosthetic device
Splint & Splint materials		Prosthetic device
Staple Remover - Wound Closure	Disposable	Not Defined - See Disclosed Practice 7
Stapler - Empty - one Use Only		Not Defined - See Disclosed Practice 7
Stapler - Empty - Reusable		Durable medical equipment
Stapler - Preloaded -Non-reloadable	One Use	Bundling Determination
Stapler - Preloaded - Reloadable - SPU		Bundling Determination
Staples, Sutures and Suture Alternatives	Use to hold skin, internal organs, blood vessels and all other tissues of the human body together, after they have been severed by injury or surgery. Example is absorbable hemostat.	Prosthetic device
Stent implanted through Endoscopy	A stent is mounted on an angioplasty balloon in order for it to be delivered to the diseased area for deployed. The balloon is inflated, and the stent along with it. When the balloon is deflated and withdrawn, the stent remains in place, serving as a permanent scaffolding for the newly widened artery.	Prosthetic device
Stents	Billiary, coronary, urinary and other	Prosthetic device
Stents	Maintain the natural opening in the body. It is implanted into the body.	Prosthetic device
Sterilizers - Chemical		Not Defined - medical supply - See Disclosed Practice 7
Stethoscope		Durable medical equipment
Stirrups		Durable medical equipment
Stockings - Compression	Used to relieve the discomfort of varicose veins, venous statis, post schlerotherapy and deep vein thrombosis.	Prosthetic device
Stretchers		Durable medical equipment
Stump shrinker		Prosthetic device

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Item	Description of Item	Workgroup
Suction Catheter	This catheter is used for the removal of respiratory tract secretions. The catheter is inserted through tracheal and tracheostomy tubes. Four eyes at the catheter's tip serve as vacuum breakers to help prevent tissue from being pulled into the tube. Since suctioning removes the patient's air supply, suction should not exceed 10 seconds duration. Suction catheters are intended for single use only.	Not Defined - See Disclosed Practice 7
Suction regulators		Durable medical equipment
Surgical Laser Devices		Durable medical equipment
Surgical Mesh implants	Marlex	Prosthetic device
Surgical tables		Durable medical equipment
Suspensories	Male suspensories are designed to isolate and support the testicles. Suspensories are used after vasectomies, injuries or in cases of disease. Used to reduce pain and swelling in the scrotum.	Prosthetic device
Swivel seats	The swivel seats enables a handicapped person to rotate his/her body, while seated, in order to get into position to rise from a chair.	Mobility enhancing equipment
Tendon implants		Prosthetic device
Tens units - not worn	Equipment used to stimulate the muscles to prevent atrophy. This version is not worn.	Durable medical equipment
Tens units - worn	Equipment used to stimulate the muscles to prevent atrophy. This version is worn.	Prosthetic device
Testicular & Penile implants		Prosthetic device
Therapy - Cold	Cold compression	Not Defined - medical supply - See Disclosed Practice 7
Therapy - Heat	Heat warmers	Not Defined - medical supply - See Disclosed Practice 7
Tongue depressors		Not Defined - medical supply - See Disclosed Practice 7
Tourniquet - Non-Pneumatic	A tourniquet is a tightly tied band applied around a body part (an arm or a leg) sometimes used in an attempt to stop severe traumatic bleeding. These are reusable.	Durable medical equipment
Tourniquet - Pneumatic	Broad band of fabric with inflatable bladder, connected on one side to an inflation bulb and the other to a manometer for measuring blood pressure	Durable medical equipment

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Item	Description of Item	Workgroup
Trachea tubes		Prosthetic device
Tracheostomy Speaking Valve	The speaking valve is a buttonlike piece of equipment that is placed on the outer hub of the tracheostomy tube. The one-way valve opens to let air in through the tracheostomy when the patient inspires. The valve closes during expiration, causing the air to follow the normal route of expiration and permitting speech.	Prosthetic device
Traction Devices - on the body	Cervical, pelvic	Prosthetic device
Traction equipment	Traction equipment "used for therapy in the treatment of orthopedic diagnosis involving the skeletonal system".	Durable medical equipment
Transducer gel		Not Defined - medical supply - See Disclosed Practice 7
Transfer belts	Belt that fits around waist of patient - to assist in the transfer of patients	Mobility enhancing equipment
Transfer benches		Mobility enhancing equipment
Trusses		Prosthetic device
Ultrasound equipment	Ultrasound Probes, Ultrasound Transducers, Mini dopplers	Durable medical equipment
Vaccines		Drug
Vaporizers		Durable medical equipment
Vena Cava Filter	Inserted into a patient's body and becomes a permanent part of the vena cava wall - traps blood clots	Prosthetic device
Venous blood sets		Not Defined - See Disclosed Practice 7
Visually Impaired Supplies & Equipment - Other		Not Defined - See Disclosed Practice 7
Walkers		Mobility enhancing equipment
Wheelchair Cushions - Brace/Support	Only includes cushions that primarily and customarily serve a medical purpose and that are generally not useful to a person in the absence of illness or injury.	Durable medical equipment
Wheelchair ramps	Tangible Personal Property only, building materials such as wood or concrete are not included in this item.	Mobility enhancing equipment
Wheelchairs		Mobility enhancing equipment
Whirlpools (portable, over-the-tub type devices only)	Not available for sale to the general public, specifically manufactured for a medical purpose.	Durable medical equipment

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Item	Description of Item	Workgroup
Wound Closure Needles - Suturing w/Thread		Bundling Determination
X-Ray developer solution		Not Defined - medical supply - See Disclosed Practice 7
X-Ray equipment		Durable medical equipment

Motion by Wyoming to amend Rule 317.1 to update the list of reasons for exemption so that it matches the exemption certificate that was approved for use effective January 1, 2018.

Rule 317.1 – Simplified Administration Process

A. Administrative Issues

1. Identifying Information of Purchasers Claiming Exemption from Tax. Unless waived by a state pursuant to Section B7, a seller shall obtain the following information from a purchaser who claims exemption from tax: its name, address, type of business (see A2 below), reason for exemption (see A4 below), ID number required by the state to which the sale is sourced, state and country issuing ID number and, if a paper form is used, a signature of the purchaser.

2. Identification of business type. A purchaser claiming exemption from tax shall select one of the following business type--codes to identify its type of business:

a. Accommodation and food services
b. Agricultural, forestry, fishing and hunting
c. Construction
d. Finance and insurance
e. Information, publishing and communications
f. Manufacturing
g. Mining
h. Real Estate
i. Rental and leasing
j. Retail trade
k. Transportation and warehousing
l. Utilities
m. Wholesale trade
n. Business services
o. Professional services
p. Education and health-care services
q. Nonprofit organization
r. Government
s. Not a business
t. Other _______________

3. Exemption Reason Coding System. All sellers and Governing Board states shall adopt the following exemption reason coding system to assist member states in identifying purchasers whose eligibility to claim exemption should be verified.

4. Reason for exemption. A purchaser claiming exemption from tax shall select one or more of the following reason codes for claiming exemption from tax:

a. Federal government
b. State or local government
c. Tribal government

Motion by Wyoming to amend Rule 317.1 to update the list of reasons for exemption so that it matches the exemption certificate that was approved for use effective January 1, 2018.

d. Foreign diplomat
e. Charitable organization
f. Religious ~~or educational~~ organization
g. Resale
h. Agricultural production
i. Industrial production/manufacturing
j. Direct pay permit
k. Direct mail
l. Other _____________
~~l.~~m. Educational organization

5. Uniform paper exemption certificate. Member states shall adopt the uniform paper exemption certificate developed for use by member states and adopted by the Governing Board. [See SSUTA § 317.A.3.]

a. A member state shall not customize the uniform exemption certificate except to gray out exemption reason types not authorized by a particular state's law.

b. A member state shall accept the uniform paper exemption certificate or the electronic form described in A7 below for all exemptions.

c. A member state shall allow purchasers and sellers to use substitute exemption certificates if they contain the same information as the uniform exemption certificate.

6. ID numbers. The following provisions shall apply to member states with regard to ID numbers required from purchasers claiming exemption from tax:

a. Each member state shall be permitted to choose whether to require an ID number. A state has the option to require a number for some exemptions, e.g., resale, but not for others, e.g., farmers.

b. If a member state requires the use of an ID number, it shall require purchasers claiming exemption from tax to use only:

(i) A state-issued business number;
(ii) A state-issued exemption number;
(iii) A state-issued driver's license number; or
(iv) A United States federal ID number.

c. Use of an ID number issued by a foreign government shall only be acceptable when claiming a resale exemption for purchases of services, other than services to real or tangible personal property.

d. A member state shall not request a purchaser's social security number.

e. A member state shall advise the Governing Board and the general public as to whether it requires a purchaser to provide an ID number to claim exemption from the tax.

f. If a member state requires a purchaser to provide an ID number to claim exemption from tax, such member state shall advise the Governing Board and the general public as to which of the ID numbers set forth in (6)(b) above is required or allowed for each type of exemption claimed.

g. A seller shall not be required to verify whether the purchaser has provided the correct ID number to claim exemption from the tax.

7. Electronic forms. The standard form for claiming an exemption electronically shall be a standard set of data elements (Standard Data Elements) that correspond to the information that the purchaser would otherwise provide the seller in the uniform paper exemption certificate at the time of purchase. The Standard Data Elements will be specifically identified by the Governing Board at the time the uniform paper exemption certificate is adopted. Once such Standard Data Elements are captured, a seller shall be deemed to have received a proper electronic exemption form.

8. Direct pay authority and direct mail. Direct pay authority and direct mail are reasons for claiming exemption from tax at the time of purchase and self-assessing tax to the appropriate state or states (see A4 above). Reason codes shall be established for tax exemptions for these purposes and listed on the uniform exemption certificate form in the "reason for exemption" section of the form.

9. Multistate Supplemental Form. Purchasers may complete the Multistate Supplemental Form as an attachment to a single exemption certificate when they regularly make exempt purchasers from the same seller and the purchases from that seller will be sourced to different states. Purchasers shall identify the reason for exemption and the identification number (if required) for each state the purchaser wants to claim exemption from tax.

10. Fully Completed Exemption Certificate and Required Standard Data Elements to be captured. Member states shall relieve a seller of the tax otherwise applicable if the seller obtains a fully completed paper exemption certificate or captures the Standard Data Elements from an electronic form.

a. A fully completed paper exemption certificate includes all information fields requested on the Streamlined Sales and Use Tax Agreement's Certificate of Exemption and Multistate Supplemental Form except for the exemption reason identification numbers requested in Section 5 of the paper Certificate of Exemption.

b. The Standard Data Elements are the same as for a fully completed paper exemption certificate except the signature of the authorized purchaser is not required.

c. A faxed exemption certificate is considered a paper exemption certificate and requires a signature.

d. Sellers that enter the Standard Data Elements from a paper exemption certificate into electronic format are not required to retain the paper copy of the exemption certificate.

B. Policy and Operational Issues
1. Completion of Taxability Matrix. Member states shall complete the Taxability Matrix approved by the Governing Board and shall show thereon their treatment of the definitions in the Streamlined Sales and Use Tax Agreement's Library of Definitions.

2. Completion of information forms. Member states may complete the following forms:

a. Member State Information on Product-Based Exemptions
b. Member State Information on Taxable Services
c. Member State Information on Other Exemptions

3. Blanket exemption certificates. All member states shall accept either the uniform paper exemption certificate form (see A5 above) or a substitute form containing the Standard Data Elements (see A5c and A7 above) filed for a particular reason and applicable to a current transaction and subsequent similar transactions. For example, a purchaser that has provided a seller with an exemption certificate for the purchase of items for resale shall not be required to provide the same seller with another exemption certificate when subsequently purchasing items for resale.

4. Blanket exemption certificates allowed for all purposes. Member states shall allow blanket exemption certificates for all exemption purposes.

5. Renewal of blanket exemption certificate information.

a. Member states may require purchasers to update exemption certificate information or to reapply with the member state to claim certain exemptions.

b. Member states may not request from sellers renewal of blanket certificates or updates of exemption certificate information or data elements when there is a recurring business relationship between the purchaser and seller. For purposes of this section, "a recurring business relationship" exists when a period of no more than twelve months elapses between sales transactions. [See SSUTA § 317.C. effective 1/1/08.]

6. Nonresident purchasers. With respect to seller liability, a member state shall honor an exemption certificate filed by a purchaser even if the purchaser is not a resident, resident organization or registered business in the member state.

7. When seller is required to obtain an exemption certificate. A seller shall obtain an exemption certificate or data elements from the purchaser on all sales of taxable products and services sold without collecting the tax unless the state imposing the tax has waived the requirement for an exemption certificate on the sale (e.g., a state may choose to waive the exemption certificate requirement on sales made to tax-exempt organizations).

C. Systems Related Issues

1. Default rules for coding the taxability of products.

a. Sellers, Certified Service Providers (CSP's), and Model 2 Automated Systems (CAS's) shall code all products that are tangible personal property as taxable unless a member state has specifically exempted or excluded the product from its tax base.

b. Sellers, CSP's, and CAS's shall code all services sourced to member states that enumerate taxable services as exempt unless a member state has specifically enumerated the service as a taxable service.

c. Sellers, CSP's, and CAS's shall code all services sourced to member states that tax services in the same manner as tangible personal property as taxable unless a member state has specifically exempted or excluded the service from its tax base.

3. Verification of exemption numbers not required. A member state shall not require a seller or a certified service provider to verify exemption numbers.

D. Audit Issues

1. Multi-item invoices containing exempt and nonexempt items. If a purchaser only claims exemption from tax on some of the items purchased on a multiple-item invoice and a seller, who does not have a mechanism in place to accurately track exempt and non-exempt items on a multi-item invoice, allows an exemption on all items on the invoice, then a member state shall hold the seller liable for the tax on the nonexempt items on the invoice.

2. Retention of records by a seller. A seller shall retain an exemption certificate submitted by a purchaser, or the Standard Data Elements, for as long as such seller is required to retain other sales and use tax business records under the law applicable in the state to which the sale is sourced.

Motion by Wyoming to amend Rule 317.1 to update the list of reasons for exemption so that it matches the exemption certificate that was approved for use effective January 1, 2018.

3. Certified service providers (“CSP”) and certified automated software (“CAS”). A CSP or a seller using a CAS shall collect and provide to member states on a periodic basis, sufficient aggregated information on each purchaser claiming exemption from the tax to enable member states to verify each purchaser’s exemption eligibility status. Such aggregated information shall be provided to member states in the standardized format required by the Governing Board to facilitate data-extraction and data-mining so as to enable member states to identify purchasers as potential audit candidates and to verify the claimed tax exempt status of purchasers. Pursuant to SSUTA § 317A(6) of the Streamlined Sales and Use Tax Agreement, the Governing Board shall develop standard rules and requirements for collecting and providing aggregated information on purchasers claiming exemption from the tax.

4. Joint state auditing of exempt transactions. The Governing Board shall develop standard rules and administrative practices for joint auditing of exempt transactions by member states.

A motion by ___________ to amend Rule 602 to update it to current terminology used in the SSUTA and related documents.

ARTICLE VI
Monetary Allowances for New Technological Models For Sales Tax Collection

Rule 601. [Reserved]

Rule 602.1 – Monetary Allowance for Model 2 Sellers

1. Authority. The Governing Board has the authority to determine the monetary allowance, if any, to be withheld from the amount remitted to the Member States, Contingent Member States and Associate Member States by Model 2 Sellers. The Governing Board may, in its discretion, limit the monetary allowance to taxes remitted to Member States, Contingent Member States and Associate Member States in which the Model 2 Seller is a Volunteer Seller. All Member States, Contingent Member States and Associate Member States must provide a monetary allowance to Model 2 Sellers in the amount and manner adopted by the Governing Board. Failure to provide any such monetary allowance may subject a Member State, Contingent Member State or Associate Member State to sanctions for noncompliance pursuant to Section 809 of the SSUTA.

2. Allowance Limitations. A Seller shall be entitled to the allowance only if the Seller has registered as a Model 2 Seller in compliance with the requirements of the registration system created under Article IV of SSUTA ("Central Registration System"), has filed and paid a timely return, and is otherwise in compliance with Governing Board requirements for receiving the allowance.

3. Additional Allowances. The allowance set forth in this Rule is in addition to any discount afforded by a Member State, Contingent Member State or Associate Member State. Individual Member States, Contingent Member States and Associate Member States may provide, in accordance with their own laws and procedures, allowances that supplement or extend the monetary allowance under this Rule. Nothing herein suggests or implies that any supplements or extensions will be forthcoming.

4. Definitions. Except as separately defined in this Rule, terms used herein shall have the same meaning as those terms are defined in the SSUTA. Definitions set forth in this Rule are included only for purposes of determining monetary allowances for Model 2 Sellers under this Rule. The definitions do not constitute a conclusion or an admission by the Governing Board, Member States, Contingent Member State or Associate Member States that a Seller has or does not have a legal obligation to collect sales or use taxes in any Member State or Associate Member State. Monetary allowances to Model 2 Sellers under this Rule are not payments to a Seller for the administration of any state or local sales tax.

(a) Associate Member State means a state or other governmental authority that has petitioned for membership in the SSUTA and has been designated as an associate member state pursuant to ~~the SSUTA,~~ Section 801.3~~704, Subsections B and C~~ of the SSUTA.

(b) Member State means a state or other governmental authority that has ~~petitioned for~~been admitted into membership in the ~~SSUTA and has been found to be in compliance with~~

A motion by ___________ to amend Rule 602 to update it to current terminology used in the SSUTA and related documents.

~~the requirements of the SSUTA pursuant to Section 805~~Governing Board and has not withdrawn from or been expelled by the Governing Board.

(c) Volunteer Seller in a Member State, Contingent Member State or Associate Member State means a Seller that has registered as a Model 2 Seller in the Central Registration System and:

(1) For Sellers who registered with the Member State, Contingent Member State or Associate Member State on or before November 12, 2002, ~~R~~represented in its registration that it did not have a legal requirement to register and in fact did not have a requirement to register in the Member State, Contingent Member State or Associate Member State at the time of registration, regardless of any previous registration the Seller may have made in the Member State, Contingent Member State or Associate Member State; or

(2) For Sellers who registered with the Member State. Contingent Member States or Associate Member State after November 12, 2002, the Seller meets all of the following criteria during the twelve (12) month period immediately preceding the date of registration with the Member State or Associate Member State:

a. no fixed place of business for more than thirty (30) days in the Member State, Contingent Member State or Associate Member State;
b. less than $50,000 of Property, as defined below, in the Member State, Contingent Member State or Associate Member State;
c. less than $50,000 of Payroll, as defined below, in the Member State, Contingent Member State or Associate Member State; ~~and~~
d. less than twenty-five percent (25%) of its total Property or total Payroll, as defined below, in the Member State or Associate Member State;
e. was not collecting sales or use tax in the Member State, Contingent Member State or Associate Member State as a condition for the seller or an affiliate of the seller to qualify as a supplier of goods or services to the Member State, Contingent Member State or Associate Member State; and
~~d.~~f. was not required to register and collect sales or use tax in the Member State, Contingent Member State or Associate Member State as a statutory requirement for the seller or an affiliate of the seller to be able to sell, ship or deliver a particular type of product into the Member State, Contingent Member State or Associate Member State..

Notwithstanding subsection (c)(2) above, any Seller that registered in a Member State, Contingent Member State or Associate Member State ~~after November 12, 2002 and~~in the three years prior to ~~October 1, 2005~~the effective date of such State's membership, is not considered a Volunteer Seller for that Member State, Contingent Member State or Associate Member State, if the Seller had a legal requirement to register as a result of administrative, legislative, or judicial action in the state occurring prior to the date of the Seller's registration that was specific to that Seller.

A motion by ___________ to amend Rule 602 to update it to current terminology used in the SSUTA and related documents.

(3) Any seller who meets the criteria of subsection (c)(2) and who becomes legally obligated to register in a Member State, Contingent Member State or Associate Member State solely because of the enactment of federal legislation

(d) Property is the "Average Value" of the Seller's real property and tangible personal property owned or rented by the Seller. Property owned by the Seller is valued at its original cost basis. Property rented by the Seller is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the Seller less any annual rental rate received by the Seller from sub-rentals. The "Average Value" of Property shall be determined by averaging the values at the beginning and end of the twelve (12) month period immediately preceding the date of registration with the Member State, Contingent Member State or Associate Member State.

(e) Payroll is the total amount paid by the Seller for "Compensation" during the twelve (12) month period immediately preceding the date of registration with the Member State, Contingent Member State or Associate Member State. "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees and defined as gross income under Internal Revenue Code §61. "Compensation" is paid in a Member State, Contingent Member State or Associate Member State if (1) the individual's service is performed entirely within the Member State, Contingent Member State or Associate Member State, (2) the individual's service is performed both within and outside the Member State, Contingent Member State or Associate Member State, but the service performed outside the Member State, Contingent Member State or Associate Member State is incidental to the individual's service within the Member State, Contingent Member State or Associate Member State, or (3) some of the service is performed in the Member State, Contingent Member State or Associate Member State and (a) the base of operations, or if there is no base of operations, the place from which the service is directed or controlled, is in the Member State, Contingent Member State or Associate Member State, or (b) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in the Member State, Contingent Member State or Associate Member State.

5. Losing Volunteer Status. A Volunteer Seller shall lose its status as a Volunteer Seller in a Member State, Contingent Member State or Associate Member State if:

(a) as a result of activities the Seller conducts in a Member State, Contingent Member State or Associate Member State after the date of the Seller's registration in the Member State, Contingent Member State or Associate Member State, the Seller becomes legally obligated to register in that Member State, Contingent Member State or Associate Member State; and

(b) as a result of activities the Seller conducts in a Member State, Contingent Member State or Associate Member State after the date of the Seller's registration in the Member State, Contingent Member State or Associate Member State, the Seller fails to meet one or more of the criteria under subsection 4(c)(2) above in that Member State, Contingent Member State or Associate Member State. For purposes of determining whether the Seller meets the criteria, the "Average Value" of Property shall be determined by averaging the values at the beginning and end of the last fiscal year of the Seller that terminates at least thirty (30) days

A motion by ___________ to amend Rule 602 to update it to current terminology used in the SSUTA and related documents.

before the date the determination is made; and Payroll shall be the total amount paid by the Seller for "Compensation" during the last fiscal year of the Seller that terminates at least thirty (30) days before the date the determination is made.

6. Disclaimer. Nothing in this Rule shall be construed to modify federal or state law regarding a Seller's responsibility to collect or remit sales or use tax to a Member State, Contingent Member State or Associate Member State.

Rule 602.2 – Monetary Allowance for Model 2 Sellers Procedural Rule

1. Effect of a State Becoming a New Member State, Contingent Member State or Associate Member State. If any state or other governmental authority that is not a Member State, Contingent Member State or Associate Member State on the Effective Date of this Rule becomes a Member State, Contingent Member State or Associate Member State, a Model 2 Seller shall be entitled to retain an allowance on sales and use taxes due to the new Member State, new Contingent Member State or new Associate Member State, under the same conditions as apply to existing Member States, Contingent Member States and Associate Member States, from the effective date of the state or other governmental authority becoming a new Member State, new Contingent Member State or Associate Member State.

A Model 2 Seller shall be entitled to retain the allowance from a new Member State, new Contingent Member State or Associate Member State for a period not to exceed twenty-four months after the Seller's first CAS was installed. If the CAS was installed before the Effective Date of this Rule, the Seller shall be entitled to retain the allowance from a new Member State, ne Contingent Member State or Associate Member State for a period not to exceed twenty-four months after the Effective Date.

2. Effect of Withdrawal or Expulsion of a Member State, Contingent Member State or Associate Member State from the SSUTA. If a Member State, Contingent Member State or Associate Member State withdraws or is expelled from the SSUTA, a Model 2 Seller shall be entitled to retain the monetary allowance on sales and use taxes due to that Member State, Contingent Member State or Associate Member State from transactions made by the Model 2 Seller prior to the effective date of the withdrawal or expulsion.

3. Effect of Losing Volunteer Seller Status. If a Model 2 Seller loses its status as a Volunteer Seller in a Member State, Contingent Member State or Associate Member State during any part of a calendar month, the Model 2 Seller shall be deemed to have lost its status as a Volunteer Seller in that state for the entire month.

4. Effect of Determining Taxes Without Using an Updated CAS. A Model 2 Seller shall not be allowed to retain a monetary allowance for a Member State, Contingent Member State or Associate Member State that is based on taxes that were determined or calculated (1) without the use of a CAS or (2) with a CAS that the Seller has failed to update or modify in accordance with the Seller's agreement with its CAS provider.

State Guide to the Streamlined Sales Tax Project

An Overview and Guide for State Lawmakers and Tax Administrators Explaining the Streamlined Sales Tax Project

Created and Maintained by:
SSTGB Administration
May 2018

Resources

Streamlined Website www.streamlinedsalestax.org

Streamlined Sales and Use Tax Agreement (SSUTA)

Streamlined Sales Tax Governing Board Rules and Appendixes (SSTGB Rules)

Online Taxability Matrix

Online Certificate of Compliance

Frequently Asked Questions (FAQs)

The Streamlined Sales Tax Technology website page has the following information:

- Technology Guide
- Current Schema Set: SST2015V01
- Basic SER Fields list
- Streamlined Sales Tax Technical Definitions fields used in the schemas and extracts (Chapter 16 of the Technology Guide)
- Rate and Boundary Instructions (Chapter 5 of the Technology Guide)

DOCUMENT PURPOSE

The purpose of this document is to serve as a high-level overview and guide for state lawmakers and tax administrators to understand (1) the requirements that must be met in order to join the Streamlined Sales Tax Governing Board (SSTGB) as a full member state; (2) the requirements to remain a full member state; (3) how the SSTGB is governed; (4) the personnel commitments; and (5) the technology requirements.

The specific details relating to these areas are covered in the Streamlined Sales and Use Tax Agreement (SSUTA), the SSTGB Rules and Procedures (and Appendices), the SSTGB Bylaws and the contract the SSTGB enters into with the Certified Service Providers (CSP).

In the event information in this guide is inconsistent with the SSUTA, Rules, Bylaws or Certified Service Provider's contract, the SSUTA, Rules, Bylaws or contract controls.

EXECUTIVE SUMMARY / PROJECT OVERVIEW

State governments, with input from local governments and the private sector, wanting to simplify and modernize sales and use tax collection and administration created the Streamlined Sales Tax Organization. The organization focuses on improving sales and use tax administration systems for both main street and remote sellers for all types of commerce.

The goal of Streamlined Sales Tax (SST) is to provide states and the business community with a Streamlined Sales Tax System that includes the following key features:

- Uniform definitions of certain sales and use tax related terms
- State and local rate simplification (limited exceptions allowed)
- Uniformity of state and local tax bases (limited exceptions allowed)
- State level tax administration of all state and local sales and use taxes
- Uniform sourcing rules (which jurisdiction's tax is imposed)
- Uniform administration of exempt sales
- A single online central registration system for all member states (complete one simple application to become registered in all member states)
- Simplified and uniform tax returns and tax remittance procedures
- State funding of the system (states pay very reasonable annual dues)

For a complete description of the Streamlined Sales Tax organization and the SSUTA go to www.streamlinedsalestax.org.

The various sections of this guide explain how the SSUTA interacts with your state's laws, which taxes the SSUTA requirements apply to, a state checklist for states to use when considering membership in the Streamlined Sales Tax Governing Board, the technology requirements, the various Streamlined Committees and their responsibilities, the various levels of membership and how to petition for membership.

SSUTA ARTICLE XI - THE SSUTA DOES NOT PREEMPT STATE'S LAWS!

The Agreement does not override state laws. However, the state must comply with the requirements contained in the Agreement to be a member state under Article VIII.

SSUTA Section 1102 provides that:

> "No provision of the Agreement in whole or part invalidates or amends any provision of the law of a member state. Adoption of the Agreement by a member state does not amend or modify any law of the state. Implementation of any condition of the Agreement in a member state must be by the action of the member state."

SSUTA Section 1103 provides in part that:

> "…B. No person shall have any cause of action or defense under the Agreement or by virtue of a member state's approval of the Agreement. No person may challenge any action or inaction by any member state on the grounds that the action or inaction is inconsistent with the Agreement.
>
> C. No law of a member state may be declared invalid on the grounds that the law is inconsistent with the Agreement."

WHAT TAXES DOES THE SSUTA APPLY TO?

- Applies to the state and local sales and use taxes collected by retailers, administered by the states and identified in the state's petition for membership.
- Limited application to consumer use tax.
- The provisions of the agreement do not apply to vending machine sales or sales or marijuana or products containing marijuana. (Sections 105 and 106)
- Exclusions to specific rules are listed with the specific rule.

STATE CHECKLIST FOR STATES CONSIDERING MEMBERSHIP

State Action Items for Implementation

Identified below are the various steps that states considering membership in Streamlined should follow to join and implement Streamlined. See Appendix 1 for a flowchart that lays out these steps in a summary format.

1. **Review Information**
   A. Streamlined website - www.streamlinedsalestax.org
   B. Streamlined Sales and Use Tax Agreement (SSUTA)
   C. Streamlined Sales Tax Governing Board Rules and Procedures
   D. Streamlined Technology Guide and associated links and information
   E. Frequently Asked Questions (FAQs)

2. Establish Contacts

A. Contact the Executive Director to discuss participation in SST.

B. Assign a person(s) to determine what your state must do to become a Streamlined member state. Form an Implementation Team of state, business, and technology members to identify the resources, training, and tools needed to implement the technology successfully.

C. Contact the IT Director for technology requirements for participation in the Registration System, the certification and use of Certified Service Providers and Certified Automated Software, and the acceptance of Simplified Electronic Returns and remittances.

D. Assign persons to participate in the following:
   a. Governing Board
   b. State and Local Advisory Council
   c. Certification Committee
   d. Audit Committee

E. Contact the chairs of each committee to determine the issues being worked on and to discuss any issues your state should be aware of.

F. Participate in TIGERS standards group. The E-Standards (formerly TIGERS) group listserv is an FTA E-List. TIGERS is responsible for reviewing and approving any changes to the XML schemas, web services, and communications methodology the Certification Committee recommends and Governing Board approves.

3. Requirements for Compliance with SSUTA - Laws

Determine and make necessary changes to existing statutes, regulations, rules, and policies to comply with each of the provisions of the SSUTA.

For specific language and additional detail on any requirement, please refer to the SSUTA, rules, interpretations, and appendices.

The Certificate of Compliance identifies each of the requirements with which the state must comply. In general, the requirements are as follows:

A. State level administration of sales and use taxes (SSUTA Section 301)
B. Uniform state and local tax base (SSUTA Section 302)
C. Participation in the central registration system (SSUTA Section 303)
D. State and local rate and boundary changes (SSUTA Sections 305 - 308)
E. Uniform sourcing rules (SSUTA Sections 309 through 315, Rules 309-314.1)
F. Exemptions (SSUTA Sections 316 and 317, Rule 317)
G. Acceptance of certain return requirements, the simplified electronic return and remittance requirements (SSUTA Sections 318 and 319)
H. Confidentiality for taxpayers registering through streamlined (SSUTA Section 321)
I. Sales tax holidays (SSUTA Section 322, Library of Definitions)

J. Caps and thresholds (SSUTA Section 323)
K. Uniform rounding rules and tax computation (SSUTA Section 324)
L. Refund procedures (SSUTA Section 325)
M. Direct pay permits (SSUTA Section 326)
N. Uniformity of terms defined in the Library of Definitions (SSUTA Section 327, Rule 327-327.9, Appendix C)
O. Completion of Online Taxability Matrix (Section 328)
P. Bundled transactions (SSUTA Section 330, Library of Definitions Part 1, Rule 330)
Q. Liability relief – Purchasers (SSUTA Section 331)
R. Specified Digital Products (SSUTA Section 332 and 333, Library of Definitions, Rules 332 and 333)
S. Prohibited Replacement Taxes (SSUTA Section 334, Rule 334)
T. Tax Administration Practices (SSUTA Section 335)
U. Initial Amnesty Period (SSUTA Section 402)
V. Review and certification of Certified Service Provider's systems (SSUTA Section 502)

4. Requirements for Certificate of Compliance and Taxability Matrix

Each state must complete a Certificate of Compliance and Taxability Matrix and keep these documents up-to-date based on their laws, rules, regulations and written policies. Both documents are completed online on the Governing Board's website. Each state is provided a login to access and edit only their own state's documents. (**Note:** If your state is considering joining Streamlined, please contact the Executive Director for a password and login so that you can review and complete these documents. These documents are extremely helpful in identifying what changes may be needed to your laws to comply with the requirements of the SSUTA.)

The Certificate of Compliance identifies the various requirements contained in the SSUTA with which the state must comply. The state provides its answers, explanations and references to its laws, rules, regulations and written policies to demonstrate that it is in compliance with each of these requirements.

The Taxability Matrix identifies each of the definitions and tax administration practices adopted by the Governing Board and which each state must follow. The state indicates the tax treatment of each of the items identified in the matrix along with a reference to its applicable law, rule, regulation or written policy. A state can also enter any comments that may be helpful to users in complying with their laws.

These documents are not viewable by the public until the state requests the Governing Board publish the document. It is important that these documents are completed properly since incorrect answers can be relied upon by the users for purposes of obtaining liability relief.

5. Requirements for Compliance with SSUTA - Technology

- Commit to using the SST technology standards and the Change Control process.
- Obtain technical training, as needed, in SOAP, XML, and communications technologies such as web services.

- Participation in the Certification and Audit Committees is strongly recommended.

A. Local rate and boundary changes and databases (Section 305)

  a. Determine your state's requirements for a boundary database.
  The state must provide and maintain a database that assigns each five-digit and nine-digit zip code in the state to the proper tax rates and jurisdictions. The state may also provide address-based boundary database records for assigning taxing jurisdictions and rates. This database must describe boundary changes and the effective date of those changes.

  b. The state must provide and maintain a database that shows the sales and use tax rate imposed by each jurisdiction.

The Rates and Boundary Databases Instructions (Chapter 5 of the Technology Guide) details the format and required fields.

B. Streamlined Sales Tax Registration System (SSTRS) (Section 303, 401, 402, 404)

  a. Member states must participate in the Streamlined Sales Tax Registration System (SSTRS) to be in compliance with SSUTA. (Section 401)

  b. States use a web service to pull registration data from the SSTRS using the SST Registration Transmission XML schema.

For details on the technical requirements of the Registration System and communication technology required please review the Technology Guide and Technology webpage.

C. Uniform tax returns and uniform rules for remittances of funds (Section 318 and 319)

  a. Member states must be able to accept a Simplified Electronic Return (SER) from any seller or Certified Service Provider, with limited exceptions.

  b. The state must provide a web service that is generally available on a 24/7 basis for filing Simplified Electronic Returns.

  c. The state must use the SST schemas for the Simplified Electronic Return transmission, receipt and acknowledgements.

For details on the technical requirements of the Simplified Electronic Return (SER) and communication technology required please review the Technology Guide and Technology webpage.

D. Certified Service Providers (CSP) and Certified Automated Systems (CAS)

  a. All SST full, contingent and associate member states conduct testing and certification of Certified Service Providers and Certified Automated System providers and applicants. Testing determines if the CSP and CAS providers and applicants meet the requirements in Article V of the SSUTA.

  b. States joining SST after the initial certification of a provider are required to complete testing and certify all current CSPs and CAS providers prior to petitioning for full, associate or contingent membership.

  c. Testing includes reviewing and certifying the CSP/CAS tax rules, results for sourcing and rate application which is to correspond to the state's rate and boundary files, and that the Simplified Electronic Return (SER) is properly completed and can be properly transmitted to and received by the state.

See Appendix E of the SSTGB Rules for the testing process for applicants, recertification, and quarterly testing.

d. Monetary Allowance (SSUTA Article VI)
The state must provide allowances to (i) a CSP that provides services to a "volunteer seller" based on the taxable transactions processed by the CSP and (ii) to a Model 2 "volunteer seller" for a period not to exceed 24 months. Allowance rates are set by the CSP or CAS contract. "Volunteer seller" is defined in the CSP contract.

Explanations of what a CSP or CAS is and does, along with links to CSP/CAS websites are available in the FAQ section of the Streamlined website.

6. Audit and Operational Procedures

A. Determine and make necessary changes to existing processing and audit systems to reflect legislative changes made to comply with the SSUTA, such as elimination of caps, destination sourcing, CSP allowance and collection for local jurisdictions.

B. Determine changes to operational processes, error corrections, and audit processes that will be necessary with the specific formats for registration and Simplified Electronic Return data.

7. Education

A. Internal:
   a. Educate Department employees on SST requirements, processes, definitions, and ongoing changes.
   b. Establish contacts so employees know whom to contact with SST questions.
   c. Develop guidelines to process Simplified Electronic Returns, payments, and registrations.

B. External:
   a. Educate taxpayers on law changes that were required for Streamlined compliance.
   b. Education may include on-line training, seminars, hands-on training sessions, education provided through CPAs, Chambers of Commerce, and other venues.
   c. Prepare educational information to mail and have on website.

If you want Streamlined staff to participate in the training of your staff, please contact the Executive Director.

GOVERNING BOARD AND COMMITTEE INFORMATION

The Streamlined Sales Tax organization is led by an Executive Director who is hired by the Executive Committee. There Governing Board itself is made up of representatives from each of the Member States. There are also various other Committees, some of which are elected by the Member State representatives and others which are appointed by the SSTGB President and approved by the Executive

Committee. The section below describes each of the Boards and Committees and their primary responsibilities. See Appendix 2 for the organizational chart.

Governing Board	Membership is open to any state of the United States of America, the District of Columbia and the Commonwealth of Puerto Rico that is in compliance with the Agreement as provided in Section 805. To be a member, the entity must submit a petition for membership and a Certificate of Compliance to the Governing Board and be approved by the existing members of the Governing Board. Each member state: • May appoint up to four representatives to the Governing Board. Representatives shall be members of the executive or legislative branches of the state or of a local government of that state. • Has one vote on the Governing Board, unless otherwise restricted. **Primary responsibilities include:** • Administration and operation of the Agreement. • Approving any amendments and interpretations related to the SSUTA, Rules and Bylaws • Determining each member state's compliance with the requirements of the SSUTA • Electing the Officers and Directors of the Executive Committee *Reference: Reference: ByLaws, SSUTA Section 806 – Agreement Administration*
Executive Committee	Comprised of five Directors and four Officers who are elected by the Governing Board. Any duly appointed representative of a State is eligible to service as a Director or Officer. No more than one Officer or Director may be from the same state. **Primary Responsibilities Include:** • Managing the general affairs of the Governing Board • Determining staffing needs • Entering into contracts on behalf of the Governing Board • Developing recommendations related to the sanctions for member states that are not in compliance with the SSUTA *Reference: ByLaws, Article Six*
Nominating Committee	Comprised of eight persons elected by the Governing Board and who are delegates to the Governing Board. No more than one representative per state. **Primary Responsibility:** • Seek candidates for nomination as Officers and Directors for the Executive Committee *Reference: By Laws, Article Seven, Section 1*

Compliance Review and Interpretations Committee (CRIC)	The President, with approval of the Executive Committee, annually appoints a Committee Chair, a Vice Chair and five committee members from the Full Member and Contingent Member States. The members must be from the executive or legislative branch of the Member State, but are not required to be delegates to the Governing Board. **Primary Responsibilities Include:** • Making recommendations to the governing Board on matters involving interpretations, definitions, revisions or additions to the Agreement • Reviewing the states' compliance with the SSUTA and making recommendations to the Governing Board regarding each state's compliance *Reference: ByLaws, Article Seven, Section 2.*
Finance Committee	The Secretary-Treasurer of the Governing Board is the Finance Committee Chair. The Chair annually selects four additional committee members from the Governing Board Member States. **Primary Responsibilities Include:** • Working with the Executive Director to prepare the annual budget • Review the quarterly financial reports • Establishing banking procedures and other financial related policies *Reference: ByLaws, Article Seven, Section 3.*
Issue Resolution Committee (IRC)	The President, with approval of the Executive Committee, annually appoints an Issue Resolution Committee Chair and four committee members from the Governing Board Member states. Committee members must be executive or legislative branch employees of the Member State but are not required to be delegates to the Governing Board. **Primary Responsibilities Include:** • Handling any appeals of decisions made by the Governing Board *Reference: ByLaws, Article Seven, Section 4 and Rule 1001*
State and Local Advisory Council (SLAC)	Comprised of representatives from each participating state as well as the local governmental units and those states that are not members of the Governing Board. The Council provides a forum for all state and local government officials to express their ideas and concerns and to have a formal process to bring those concerns to the Governing Board. **Primary Responsibilities Include:** • Providing advice to the Governing Board on matters pertaining to the administration of the SSUTA • Developing and vetting amendments and rules related to the SSUTA

	• Reviewing states who petition for membership to determine their compliance *State and Local Advisory Council Steering Committee* This committee is comprised of nine persons that are elected by the Council. The chair and co-chair of the Council are appointed annually by the President, with approval of the Executive Committee. At least two of the members (but not more than three) will be local government representatives. **Primary Responsibilities Include:** • Oversee the direction and projects taken on by SLAC *Reference: ByLaws, Article Eight, A., SSUTA Section 810 and Rule 810.2*
Business Advisory Council (BAC)	Comprised of representatives from the private sector and open to businesses of all sizes and industry types, including practitioners. **Primary Responsibilities Include:** • Advising the Governing Board and State and Local Advisory Council (SLAC) on matters pertaining to the administration of the SSUTA, including, but not limited to, admission of states into membership, issues of noncompliance, and interpretations, revisions, or additions to the SSUTA *Reference: ByLaws, Article Eight, B., SSUTA Section 811*
Local Advisory Council (LAC)	Comprised of representatives from the U.S. Conference of Mayors, National League of Cities, National Association of Counties, and Government Finance Officers Association who are local government employees or employees of their state counterpart organizations. **Primary Responsibilities Include:** • Providing advice to the Governing Board and State and Local Advisory Council (SLAC) on matters pertaining to the administration of the SSUTA that specifically relate to local governments *Reference: ByLaws, Article Eight, C., SSUTA Section 812 and Rules 812.1 and 812.2*
Certification Committee	Comprised of representatives from every member state. The Chair of the committee is appointed annually by the President, with approval of the Executive Committee. **Primary Responsibilities Include:** • Develops the technical aspects of the Simplified Electronic Return (SER), the Streamlined Sales Tax Registration System (SSTRS) and the rate and boundary files • Advises the Governing Board on matters pertaining to the certification and recertification of certified service providers and automated systems

	Reference: Rule 501.7
Audit Committee	Comprised of representatives from every member state. The Chair of the committee is appointed annually by the President, with approval of the Executive Committee. **Primary Responsibilities Include:** • Advises the Governing Board on procedures for the audit of certified service providers (CSPs), certified automated systems (CAS) and the sellers that use those systems • Oversees the Audit Core Team that conducts contract compliance audits of CSPs and coordinates state tax compliance audits • Provides direction and procedures on Streamlined related audit issues *Reference: Rule 803.3*

LEVELS OF MEMBERSHIP

Reference: SSUTA Article VIII, Section 801, By Laws

There are four levels of membership. Membership status is based on that state's compliance with the requirements contained in the Streamlined Sales and Use Tax Agreement (SSUTA).

Full Membership	A state that is in compliance with the SSUTA and all changes made to bring the state into compliance are in place and effective. • May have up to four representatives on the Governing Board • One vote on Governing Board • Pays annual dues and fees • Subject to annual recertification • Provides amnesty for sellers registered through Streamlined Sales Tax Registration System (SSTRS) for 12 months from the date full member status is attained • Pays CSP Compensation for sellers registered through the SSTRS that are volunteer sellers in that state • Receives information on all sellers registered through the SSTRS. Sellers using the SSTRS are required to be registered in all full member states • Receives seller information from audits conducted by the governing board *Reference: SSUTA Section 801.1*
Contingent Membership	A state that has made all changes necessary to be in compliance with the SSUTA, however, the changes are not yet in effect. The changes must be scheduled to become effective no later than the first day of a calendar quarter that is not more

	than twelve months subsequent to its proposed date of entry as a contingent member state. • May have up to four representatives on the Governing Board • One vote on Governing Board • Pays annual dues and fees • Subject to annual recertification • Provides amnesty for sellers registered through the SSTRS for 12 months from the date full member status is attained • Pays CSP Compensation for sellers registered through the SSTRS that are volunteer sellers in that state • Will not receive information on sellers registered through the SSTRS unless that seller chooses to register for that state. (Section 401) • Will not receive seller information from an audit conducted by the governing board cannot be shared unless the contingent member state is a party to the audit *Reference: SSUTA Section 801.2*
Associate Membership	A state that has achieved substantial compliance with the SSUTA terms, but not necessarily with each provision as required by Section 805. • May have up to four representatives on the Governing Board • One vote on Governing Board • May not vote on amendments to or interpretations of the SSUTA. • May not vote to determine if a petitioning state is in compliance with the SSUTA • May not have a representative of the state serve on the Compliance Review and Interpretations Committee (CRIC) • Pays annual dues and fees • Subject to annual recertification • Provides amnesty for sellers registered through the Streamlined Sales Tax Registration System (SSTRS) for 12 months from the date full member status is attained • Pays CSP Compensation for sellers registered through the SSTRS that are volunteer sellers in that state • Will not receive information on sellers registered through the SSTRS unless that seller chooses to register for that state. (SSUTA Section 401) • Will not receive seller information from an audit conducted by the Governing Board unless the associate member state is a party to the audit *Reference: SSUTA Section 801.3 and Rule 801.1*
Advisor Membership	Any state that held Implementing State status before October 1, 2005 and has not become a full, contingent, or associate state member is an advisor state to the Governing Board. Any state not previously an implementing state may become an advisor state by:

1. Enacting legislation authorizing the state's participation in interstate discussions to develop a simplified sales and use tax system; or
2. Executing a memorandum of understanding or similar written document by the governor and legislative leaders expressing the intent of the state to participate in interstate discussions to develop a simplified sales and use tax system.

Any question over whether or not a state qualifies as an advisor state shall be resolved by a majority vote of the Governing Board.

- The state serves in an *ex officio* capacity on the Governing Board, with non-voting status, but may speak to any matter presented to the governing board for consideration
- May have up to four representatives, who shall be members of state or local government, service as the state's delegation to the Governing Board
- State representatives may serve on standing committees of the Governing Board, except they may not serve as officers or directors on the executive committee, as members of the finance committee, or as members of the compliance review and interpretations committee
- May not participate in a closed session of the Governing Board or a Governing Board committee
- Will not receive information on sellers registered through the Streamlined Sales Tax Registration System (SSTRS). (Section 401)
- Will not receive seller information from an audit conducted by the Governing Board

Reference: SSUTA Section 801.4

PETITIONING FOR MEMBERSHIP STATUS

Reference: Rules Article VIII

When a state believes it has met the requirements for compliance with SSUTA for the membership status it wishes to obtain, the state may petition the Governing Board for Membership. The state may petition for any of the four membership levels.

To petition for Full, Contingent, or Associate member status, the state must:

1. Provide amnesty pursuant to Section 402 of the Agreement
2. Provide liability relief to sellers and purchasers as required by the Agreement
3. Have completed the Certificate of Compliance (SSUTA Section 802)
4. Have completed the Taxability Matrix (SSUTA Section 328)
5. Have certified existing Certified Service Providers and Certified Automated Systems (Article V)
6. Be able to pay certified service providers pursuant to the Governing Board's contract (Article VI)
7. Be able to accept Simplified Electronic Returns (SSUTA Section 318)

8. Be able to accept registrations from the Streamlined Sales Tax Registration System (SSUTA Section 303, 401)
9. Comply with the exemption administration provisions as required by the Agreement
10. Have adopted the sourcing requirements as required by the Agreement (Article III)
11. Be in compliance with the rules and definitions in the SSUTA (Article III)

- A Contingent state has statutes, rules and regulations in place that are not yet in effect, but will become effective no later than the first day of a calendar quarter that is not more than twelve months subsequent to its proposed date of entry as a contingent member state.
- An Associate state will have adopted a majority of the definitions in the Agreement as are relevant for the state's sales and use tax administration.

Petition Process

- State submits Petition for Membership to the Governing Board and posts its petition on its website. The Petition for Membership is in the SSUTA, Appendix A.
- The Governing Board President provides a copy of the petition to all member states and the petition is posted on the Governing Board's website.
- The Governing Board provides public notice and time to allow the public, states, and the SST Governing Board to review the petition, the state's statutes, administrative rules, regulations, and other policies to determine compliance with the SSUTA as required for the membership level petitioned for. The petitioning state should have a person available to respond to questions during the review process.
- The petitioning state is provided time to respond to any questions presented by the Governing Board, states, or public.
- Recommendation to approve or not approve membership is presented to the Governing Board by those member state and business personnel assigned to complete the review.
- Approval requires a three-fourths vote of all Streamlined Full and Contingent Member States.
- Effective date of membership is the proposed date of entry on the state's petition or the first day of the calendar quarter, which is at least sixty days after the Governing Board approves the petition for membership.

ANY QUESTIONS?

If you have any questions related to the Streamlined Sales and Use Tax Agreement, please visit the Frequently Asked Questions section of our website or contact Craig Johnson, Executive Director at (608) 634-6160 or by email at craig.johnson@sstgb.org.

Appendix 1

Steps to Become a Streamlined Member State

Review information on Streamlined's website
- Streamlined Agreement
- Rules and Procedures
- Technology Guide
- CSP Contract
- Frequently Asked Questions

Contact Streamlined Executive Director
- Discuss possible membership and next steps
- Identify Project lead responsible for identifying tasks that must be done to become members

Set-up State Implementation Team
- Identify persons to participate in meetings and to make contacts with other states and business community
- Legislative leaders
- Administration leader
- Technology leader
- Audit leader
- Training/Customer service leader

Complete Online Certificate of Compliance and Taxability Matrix
- Contact IT Director for login credentials
- Review and complete these to help identify law and rule changes needed to comply with the SSUTA

Draft and adopt necessary law and rule changes to comply
- Ensure liability relief requirements in SSUTA **and** CSP contract are met
- Work with business community to identify changes needed
- Draft necessary changes and work with legislative leaders to adopt
- Streamlined will assist in reviewing legislation to help ensure compliance

Contact Streamlined IT Director to review technology needs
- Review Streamlined Technology Guide
- Determine technology training needs:
  - Rate and boundary database requirements
  - Registration system requirements
  - Simplified Electronic Return processing requirements
- Identify person to attend and participate in the Certification Committee meetings

Test and Certify Existing Certified Service Providers
- Review Appendix E of SSTGB Rules
- Review and Certify CSP Taxability Rules
- Develop and provide test decks to each CSP to confirm their system determines proper sourcing and tax amounts
- Test receipt and format of Simplified Electronic Return from each CSP

Submit Petition for Membership
- Submit petition to Executive Director
- Include completed Certificate of Compliance and Taxabilty Matrix
- Include petition fee ($20,000) - Refunded if petition is rejected

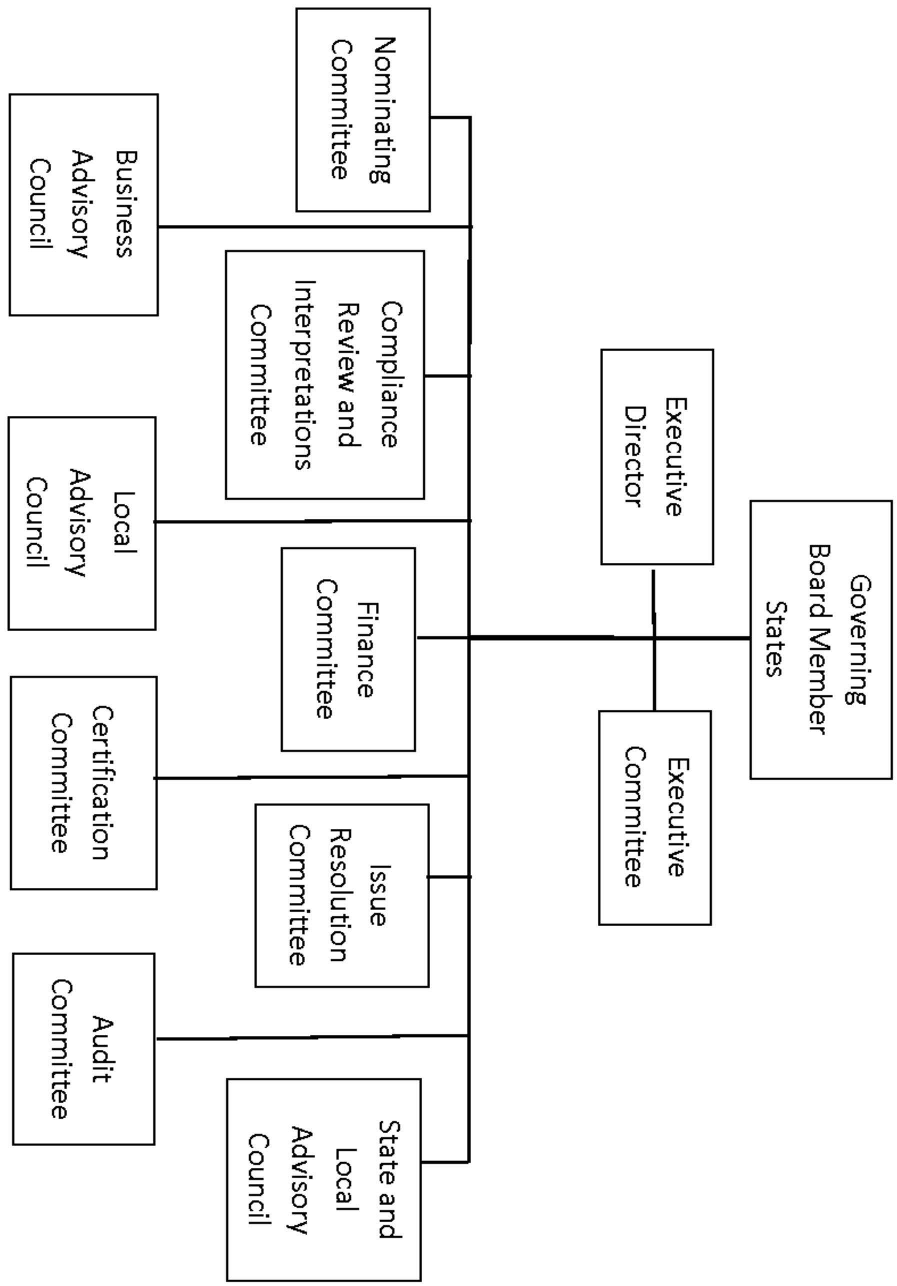
Membership Petition Review
- A group of current member states and the business community review petition for compliance with the SSUTA requirements
- States and business groups provide findings of their review for Governing Board to consider

Governing Board Votes on Membership Petition
- Membership requires approval of 3/4 of entire Governing Board

Training and Education
- Train and educate employees about Streamlined and the changes made to join
- Educate businesses on law changes
- Contact Executive Director if you want Streamlined representatives to participate in your training

Appendix 2

Streamlined Sales Tax Governing Board and Committee Organizational Chart



Technology ~~Implementation~~ Guide

Created and Maintained by:

Streamlined Sales Tax Certification and Registration Committee

Written January 2006; Revised September 2011; ~~Revised~~ September 2013; ~~Revised~~ May 2016~~, *Approved by Governing Board May 2016*~~; and ~~Revised~~ May 2018

Chapter

Resources

Surveys – available in SST Library, http://www.streamlinedsalestax.org/ and in SST Sharefile under Certification Committee, https://sstgb.sharefile.com/login.aspx

Official **XML schemas and Minimal Required Error Messages** are available on the TIGERS website at http://www.statemef.com, under Projects, SST-Streamlined Sales Tax. The E-Standards (formerly TIGERS) group listserv is an FTA E-List.

The Streamlined Sales Tax ~~Technology~~ website page has the following information:

- Technology ~~Implementation~~ Guide
- Current Schema Set SST2015V01
- Basic SER Fields list
- ~~Streamlined Sales Tax Technical Definitions for fields used in the schemas and extracts~~

- ~~Rate and Boundary Paper (August 2005, Revised May 2018)~~

Chapter 1 Introduction

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Document Purpose

The purpose of this document is to serve as a technical implementation guide for a State to use in complying with the Streamlined Sales and Use Tax Agreement's (SSUTA) requirements for use of the Streamlined Sales Tax Registration System (SSTRS), the Simplified Electronic Return (SER), and the Rates and Boundary Databases.

Executive Summary / Project Overview

State governments, with input from local governments and the private sector, created Streamlined Sales Tax to simplify and modernize sales and use tax collection and administration. The organization focuses on improving sales and use tax administration systems for both main street and remote sellers for all types of commerce.

The goal of Streamlined Sales Tax (SST) is to provide states with a Streamlined Sales Tax System that includes the following key features:

- Uniform definitions of sales and use tax terms
- Rate simplification
- Uniformity of state and local tax bases
- State level tax administration of all state and local sales and use taxes
- Uniform sourcing rules
- Uniform administration of exempt sales
- A central electronic registration system for all member states
- Simplified tax returns and tax remittances
- State funding of the system

For a complete description of the Streamlined Sales Tax organization and the SSUTA please go to www.streamlinedsalestax.org.

Contacts

Testing Central: Testing Central is the administrative section of the Governing Board staff that is responsible for managing and documenting the communication between the states and the CSPs including items such as certification of product categories and rate or boundary file issues.

Certification Committee: Advises the Governing Board on matters pertaining to the certification and recertification of service providers and automated systems. The Certification Committee works with the technical aspects of the Simplified Electronic Return and the Streamlined Registration System.

The Certification Committee reviews and discusses all issues concerning the certification of the CSPs or CAS providers, the Registration system, the use and transmission of simplified electronic returns (SER), and the rate and boundary files.

Changes in the Registration system or SER programming (schemas) are discussed and approved by the Certification Committee prior to requesting approval by the Governing Board.

- The chair of the committee is appointed annually by the President, with approval of the Executive Committee.
- Each member state should have a representative that participates in the Certification Committee.

Chapter 2 State Checklist

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State Action Items for Implementation

What a state needs to know and do to implement the streamlined sales tax program.

1. **Review Information**
    a. Streamlined website, www.streamlinedsalestax.org.
    b. Streamlined Sales and Use Tax Agreement (SSUTA)
    c. Streamlined Sales Tax Governing Board Rules and Procedures (including appendices)
    d. SST Technology ~~Implementation~~ Guide and associated links and information.

2. **Establish Contacts:**
    a. Contact your state's Streamlined Sales Tax participant(s) to discuss expectations and deadlines and to stay informed of and keep them informed of changes.
    b. Contact SST Testing Central. If you have technology questions or issues, begin with SST Testing Central and the Certification Committee members. All decisions, such as communications methodologies and payment options for use by CSPs and sellers are communicated through SST Testing Central.
    c. Participate in SST Certification Committee Meetings.
    d. Participate in TIGERS standards group. - The E-Standards (formerly TIGERS) group listserv is an FTA E-List. TIGERS is responsible for any changes to the XML schemas, web services, and communications methodology the SST Certification Committee and Governing Board review and recommend.
    e. Your state should form an SST Implementation Team comprised of both business and technology members to identify what resources, training, and tools are needed to implement the technology successfully.
    f. Establish contacts with current member states to assist in answering implementation questions and providing suggestions to help make the implementation go as smooth as possible.

3. **Technology:**
    a. Commit to using the SST technology standards and the established Change Control process.
    b. Web services is the required standard for receiving registration data and SERs. Build or buy the technology required for receiving and processing registration data and SERs.
    c. Obtain technical training, as needed, in SOAP, XML, and communications technologies such as web services.

4. **Audit and Operational Procedures**
    a. Determine and make necessary changes to existing processing and audit systems to reflect legislative changes made to comply with the SSUTA, such as elimination of caps, destination sourcing, and collection for local jurisdictions.
    b. Determine changes to operational processes, error corrections, and audit processes that will be necessary with the specific formats for registration and SER data.

5. **Rates & Boundary Databases**

a. ~~Rates and Boundaries Instructional Paper~~Rates and Boundary Instructions ~~(August 2005, Revised May 2018)~~ - See Chapter 5~~.~~
b. Determine your state's requirements for a rates and boundaries database.
    i. Will you provide Zip/Zip+4 or address-level information in your boundary table?
    ii. Will you build or buy the database?
c. Publish the rates and boundaries database using standards in the Rates and Boundaries Instructions Chapter 5~~al Paper from August 2005.~~.
d. Upload a copy of your state's rate and boundary databases to the Rates and Boundaries folder at sstgb.sharefile.com.
e. Provide methods to download the entire database.

6. Registration

a. Design and develop the technology to process Streamlined registrations.
b. The Streamlined registration data for registrants may be less than your current registration system requires.
c. Test with the SST registration system.

7. Simplified Electronic Return (SER)

a. Design, develop, and test the technology to process a SER.
b. The SER data may contain less data than currently required for your sales tax return.

8. Payments

a. Design, develop, and test the technology to process electronic payments, including ACH Debit payments, ACH Credit payments, and bulk payments.

9. Certification Testing

a. All SST full, contingent and associate member states conduct testing and certification of CSPs and CAS providers and applicants. Testing determines if the CSP and CAS providers and applicants meet the requirements in Article V of the SSUTA.
b. States need to appoint an active representative on the Certification Committee.
c. States joining SST after the initial certification of a CSP or CAS provider are required to complete testing and certify all current CSPs and CAS providers.
d. Each state is responsible for testing transmissions of SERs and payments from each CSP/CAS provider/CAS user to the state's system.

10. Education

a. Internal:
    i. Educate Department employees on SST requirements, processes, definitions, and ongoing changes. This includes explaining the various liability relief provisions and making employees aware of the various taxability codes the states have certified for the CSPs as well as the information relating to the online taxability matrix and certificate of compliance.
    ii. Establish contacts so employees know whom to contact with SST questions.
    iii. Develop guidelines to process SERs, payments, and registrations.
    iv. Contact the Executive Director if you would like an SSTGB employee to assist you with the training.

b. External:

i. Educate sellers on law changes that were required for Streamlined compliance.

ii. Make sellers aware of the online taxability matrix and certificate of compliance.

iii. Education may include on-line training, seminars, hands-on training sessions, education provided through CPAs, Chambers of Commerce, and other venues.

iv. Prepare educational information to mail and have on website.

c. Develop and post on your Department's website, the State Information Document (detailed below) which includes the information sellers and CSPs need to register, file SERs, and pay tax in your state. States may add other information to this document as they determine necessary.

SAMPLE: STATE INFORMATION DOCUMENT

A state may modify this document to include any information that state chooses.

STATE INFORMATION FOR STREAMLINED SALES TAX PARTICIPANTS

1. Introduction
   - Date state will join SST
   - Brief description of the state's program

2. Contact Personnel
   - Identify contact personnel
   - List telephone number, e-mail and mailing addresses

3. Developer Responsibilities
   - Identify personnel responsible for implementing any required technology changes
   - Confidentiality – list any confidentiality guidelines, rules and violation consequences
   - Compliance requirements

4. Publications – These are maintained on the SSTGB website and may also be on the State Website.
   - URL for state certificate of compliance
   - URL for state taxability matrix
   - URL for state rates & boundaries databases. ~~(These are also maintained on the SSTGB website)~~

5. Filing of SERs
   - Does the state require Part II of the SER?
   - Software acceptance, testing and approval
     - I. Testing and certification for CSPs prior to filing
     - II. Testing procedures and acceptance criteria
   - URL of web service for filing or URL of website for uploading files and downloading acknowledgements
   - State due dates – what is timely filed?
   - Use of FIPS codes for taxing jurisdictions
   - Whether state uses composite SER codes

6. Payment Handling and Acceptance
   - State due dates – what is timely paid?
   - Does state accept bulk payments
   - State EFT registration requirements
   - What form of same-day payment (e.g., fedwire) state accepts
   - Data requirements for seller/CSP initiated ACH credit payments
   - Prepayment requirements, if any

- Refund handling

7. Acknowledgement System
    - State specific error codes, in addition to minimal error codes
    - Anticipated timing of acknowledgements

8. URL of State’s Registration System, if seller needs to register directly
    - Do sellers/CSPs need to obtain special credentials?

9. State Sales and Use Filing Program
    - Options and filing requirements for sellers/CSPs
    - URL of online filing program
    - URL for forms

10. Appendix
    - Transmission file size limits
    - Special taxing jurisdiction codes
    - Sample SST XML documents
        I. SER with and without payment
        II. Acknowledgement

Chapter 3 Change Control Process

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In addition to the Streamlined Sales Tax Registration System (SSTRS) and the Simplified Electronic Return (SER), states must also understand the Change Control Process, and the testing and certification of the Certified Service Provider (CSP) and Certified Automated System (CAS) applicants (chapter 4), along with providing rates and boundary databases (chapter 5).

Change Control Process

The SST Governing Board governs all aspects of the SST schemas and the SSTRS.

States, vendors, and service providers requesting additional data elements or changes to any SST schemas for SSTRS or SERs should discuss the proposed changes with the SST IT Director.

Proposed changes are referred to the Certification Committee. The committee will review the request, determine if the change is necessary, and if necessary will then present the change to the SST Governing Board for approval. The Governing Board approves or disapproves the change.

Approved changes to any SST Schema are sent to TIGERS and discussed at a TIGERS meeting. New versions of schemas are posted to the TIGERS website and SST Technology page. The E-Standards (formerly TIGERS) group listserv is an FTA E-List.

Testing Central coordinates implementation of all changes to the SSTRS and SER.

Chapter 4 Certification Testing

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Certification testing for CSPs and CAS Providers and applicants will be conducted in accordance with Article V of the SSUTA through a joint effort of all SST full, contingent and associate member states as described in Rule 501 of the SSTGB Rules and Procedures. The SSTGB Rules can be found at http://www.streamlinedsalestax.org/index.php?page=governing-board-rules .

See Appendix E of the SSTGB Rules for the testing process for applicants, recertification, and quarterly testing.

States joining SST after the initial certification of a CSP or CAS Provider are required to complete testing and certify all current CSPs and CAS Providers.

Each state is responsible for the individual testing of transmissions from each CSP/CAS provider/CAS user.

States are strongly encouraged to have an active representative on the Certification Committee.

Chapter 5 Rates and Boundary Databases

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I. Overview

The Streamlined Sales and Use Tax Agreement (SSUTA) requires states develop and maintain rate and boundary files for use in determin~~e~~ing the tax rates based on destination or origin sourced sales by using the address, nine or five-digit zip code applicable to either the destination or origin as required by the state.

The information contained in this document explains:

1. The state's requirements in creating and maintaining these databases;
2. The format requirements for the rate and boundary databases;
3. When and where the rate and boundary databases are to be posted; and
4. How to use the rate and boundary files to determine the taxing jurisdictions that apply to an address, nine or five-digit zip code, and the tax rate that applies to those taxing jurisdictions, along with information on reporting the taxes on the Simplified Electronic Return (SER).

The SSUT~~U~~A places restrictions on when rates may be changed and what products or services the rates apply to.

The SSUTA excludes certain items from the requirements of the SSUTA, which allows a state to impose different tax rates on those items. Except for different rates for food and drugs, the boundary and rate databases cannot be used to look up tax rates for items that have special rates (higher or lower than the general state or local tax rates) or that may be subject to state tax or to local taxes, but not both state and local taxes. (See SSUTA Section 302 and Section 308)

II. Summary of Agreement Language

The following is a summary of the language in the Agreement. See the SSUTA for details.

A. State and Local Tax Bases, SSUTA Section 302

- The local jurisdiction tax base must be identical to the state tax base unless otherwise prohibited by federal Law
- This does not apply to sales or use taxes levied on:
    - Fuel used to power motor vehicles, aircraft, locomotives, or watercraft;
    - Electricity, piped natural or artificial gas or other fuels delivered by the seller;
    - The retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes;
    - Energy, which means natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water and other materials necessary and integral for heat, light, power, refrigeration, climate control, processing, or any other use in any phase of the manufacture of tangible personal property.

B. State and Local Tax Rates, SSUTA Section 308

- No member state shall have multiple state sales and use tax rates on personal property or services except:
  - A state may impose a single additional rate, which may be zero, on food and food ingredients and drugs as defined pursuant to the Agreement.
  - If federal law prohibits the imposition of local tax on a product subject to state tax, the state may impose an additional rate on such product, provided such rate achieves tax parity for similar products.

- A state that has local jurisdictions shall not have more than one local sales tax rate or more than one local use tax rate per local jurisdiction. The local sales and use tax rates must be identical.

- The provisions of this section do not apply to sales or use tax levied on:
  - Fuel used to power motor vehicles, aircraft, locomotives, or watercraft;
  - Electricity, piped natural or artificial gas or other fuels delivered by the seller;
  - The retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes;
  - Energy, which means natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water and other materials necessary and integral for heat, light, power, refrigeration, climate control, processing, or any other use in any phase of the manufacture of tangible personal property.

C. Notice for State Tax Changes, SSUTA Section 304

- States should make a reasonable effort to do the following:
  - Provide sellers with as much notice as practicable of state rate changes.
  - Limit the effective date of a rate change to the first day of a calendar quarter.

- Failure to follow these guidelines does not relieve a seller's obligation to collect the tax.

D. Local Rate and Boundary Changes, SSUTA Section 305

- Effective Date for Rate Changes: Provide that local rate changes will be effective only on the first day of a calendar quarter after a minimum of 60 days' notice to sellers. (120 days' notice for purchases from printed catalogs when tax is based on rates published in a catalog.)
  - Section 329: Each member state shall provide that the effective date of rate changes for services covering a period starting before and ending after the statutory effective date shall be as follows:
    - For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date.
    - For a rate decrease, the new rate shall apply to bills rendered on or after the effective date.

- Effective date of Boundary Changes: Apply local jurisdiction boundary changes only on the first day of calendar quarter after a minimum of 60 days' notice to sellers.

- Boundary Database: Provide and maintain a database that describes all boundary changes for all taxing jurisdictions, including a description of the change and the effective date of the change for sales and use tax purposes.

- Rate Database: Provide and maintain a database of all sales and use tax rates for all jurisdictions levying taxes within the state. Jurisdictions must be identified using the Federal Information Processing Standards (FIPS). Jurisdictions not having FIPS codes must be identified in the format determined by the Governing Board.

- Boundary Database – Zip Code: Provide and maintain a database that assigns each 5-digit and 9-digit zip code within the state to the proper tax rates and jurisdictions.
  - States must apply the lowest combined tax rate imposed in the zip code area if the area includes more than one tax rate in any level of taxing jurisdictions.
  - If a nine-digit zip code designation is not available for a street address or if a seller is unable to determine the nine-digit zip code designation of a purchaser after exercising due diligence to determine the designation, the seller may apply the rate for the five-digit zip code area. Query instructions for the zip code database will provide the correct jurisdiction code if either a zip + 4 or 5-digit zip is used.
  - There is a rebuttable presumption that a seller has exercised due diligence if the seller has attempted to determine the nine-digit zip code designation by utilizing software approved by the Governing Board that makes this designation from the street address and the five-digit zip code of the purchaser. (Delete if Section 305 amendment is adopted.)
  - (Language if Section 305 amendment is adopted) For the purposes of this section, there is a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the Governing Board that makes this assignment from the zip code information applicable to the transaction.

- Boundary Database – Address, SSUTA Section 305G
  - A state has the option of providing address-based boundary database records for assigning taxing jurisdiction and rates which shall be in addition to the zip code boundary database.
  - Database must be in same approved format as the Zip Code databases.
  - Database must meet the requirements developed pursuant to the Mobile Telecommunications Sourcing Act (MTSA.) The SST Boundary database may have additional fields not required by MTSA.
  - The Governing Board may allow a member state to require sellers that register under this Agreement to use an address-based system provided by that member state.
  - States that have an Address database must also create and maintain a Zip Code database for purposes of continuity and meeting the needs of the sellers until such a time that the Governing Board, as stated in 309G, decides to allow a member state to require sellers that register under this Agreement to use an Address database provided by that member state.
  - If any member state develops an address-based assignment system pursuant to the Agreement, a seller may use that system in place of Zip Code database.
  - If a seller is unable to determine the applicable rate and jurisdiction using an address-based database record after exercising due diligence, they may apply

the 9-digit zip code designation applicable to a transaction. If a 9-digit zip code designation is not available for a street address, the seller may apply the rate for the 5-digit zip code.

- There is a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the Governing Board that makes this assignment from the address and zip code information applicable to the ~~purchase~~transaction.
- Certifying Vendor Provided Address-based Databases: States that have meet the requirement of providing a Zip Code database may elect to certify vendor provided address-based databases for assigning tax rates and jurisdictions. The databases must be in the same approved form and must meet the requirements of the federal Mobile Telecommunications Sourcing Act. If a state certifies a vendor address-based database, a seller or CSP may use that database in place of the Address or Zip code database provided by the state.

- Make databases available to a seller or CSP by the first day of the month prior to the first day of a calendar quarter.
- Databases must be in a format approved by the Governing Board, available on the state's website or other location determined by the Governing Board.

E. Relief from Certain Liability, SSUTA Section 306

- States will relieve sellers and CSPs from liability for incorrect collection of sales or use tax resulting from reliance on erroneous tax rates, boundaries, or taxing jurisdiction assignments.
- States that provide an address-based system for assigning taxing jurisdictions will not be required to provide liability relief for errors resulting from the reliance on the 5 and 9-digit zip code data.

F. Databases Requirements and Exceptions, SSUTA Section 307

- Must be provided in a downloadable format approved by the Governing Board. Databases may be provided by the state or a vendor designated by the state. Database must be provided at no cost to the user of the database.
- The provisions in SSUTA Section 305 (F & G) do not apply when the purchased product is received by the purchaser at the business location of the seller.
- The databases are not a requirement of a states prior to entering into the Agreement. A seller that did not have a requirement to register in a state prior to registering pursuant to the Agreement or a CSP shall not be required to collect sales or use tax for a state until the first day of the calendar quarter more than 60 days after the state has provided the required rate and boundary databases.

III. Summary of state requirements to meet SSUTA requirements

The Agreement requires states develop and maintain the following rates and boundary databases to be in compliance with the Agreement. These databases, published on the SSTGB website, will provide one location for sellers to review all rate and boundary changes that impact sales and use tax with each state.

- A state must provide and maintain a database that assigns each five-digit and nine-digit zip code within the state to the FIPS code for each jurisdiction that imposes a tax within that zip code.
- A state may develop an additional address level database that assigns addresses within the state to the FIPS code for each taxing jurisdictions that address is in.
- Identify changes to these databases, which is done through the use of beginning and ending effective dates for each record.
- A state must provide and maintain a database that assigns the tax rate to each FIPS code that is used in the state's boundary database for each jurisdiction and special jurisdiction that imposes a sales or use tax. Rates must be separated into the lowest level components, i.e. state, county, city, municipality, etc.

The databases will identify all jurisdictions, by FIPS codes, that impose sales or use tax within that zip code and the sales and use tax rates that each taxing jurisdiction imposes. The FIPS codes from the boundary database are used to determine the tax rate from the state's Rate database.

Users are required to use the address data when it is provided by the state. If the query does not find the address, the user should use the 9-digit zip code (zip +4) data. If no address or 9-digit zip code record is found, the query would fall back to the 5-digit zip code.

A state, depending on the number of state and local taxing jurisdictions that have a sales or use tax, will have different requirements regarding the level of granularity they will need to maintain in their databases. For example, New Jersey has no local jurisdictions with a sales or use tax and will have fewer data requirements than Texas which has many local and special taxing jurisdictions.

IV. Rate and Boundary Database Technical Directions

A. Database Format

The Agreement requires states use the database formats approved by the ~~g~~Governing ~~b~~Board. These formats were developed in consultation with the TIGERS Group (an electronic filing standards committee for government business) and with technology providers and retailers. The database format was developed to follow the SSTP Agreement requirements that were effective January 1, 2006.

A common format allows all users to query any state's file using the same query instructions.

The format of the database is standard relational table.

The database posted to the SSTGB website must be in comma delimited or CSV format.

- Fields must NOT be truncated. A comma separated value, or else simply a comma, must be present for every field in the table, including all 20 special taxing district fields
- Leading zeros must be included (i.e., code 00100 must display as 00100)

B. File Names

States MUST use the following file naming convention:

- The first two digits are the state abbreviation, 'AR'.
- The third digit indicates what the file contains and can only be an 'R' or 'B'. 'R' is for a Rate file, the 'B' is for a Boundary file.
- The next four digits are the year the file becomes effective, '2018'.
- The next two digits are "Q" for quarter and the quarter the file becomes effective, '1', '2', '3', '4'.
- The next three digits are the month the file was moved to the SST Sharefile site, 'MAY'.
- The last two digits are the day the file was moved to the SST Sharefile site, '19'.

Example of Arkansas Rate File for 1st quarter 2018 uploaded to the SST Sharefile site on November 27, 2017: ARR2018Q1NOV27

C. Database Location and Posting Dates

Database must be available on the state's website or other location as determined by the Governing Board. All rate and boundary files are to be available on the SSTGB website.

Rate and Boundary files are required to be available to a seller or CSP by the first day of the month prior to the first day of a calendar quarter. (SSUTA Section 305, I.) These files are located on the SST website under the State Info tab for downloading by any CSP, seller, or vendor.

Liability relief is provided for changes to Rate and Boundary files made available after the first day of the month prior to a calendar quarter until the first day of the following calendar quarter. (SSUTA Section 306 provides liability relief for use of the Rate and Boundary files. SSUTA Section 305 states effective dates of changes to the Rate and Boundary files.)

Only files that contain changes should be uploaded. If no changes were made, the previous file will continue to be used.

- States upload their changed files to the SST Sharefile Rates and Boundaries directory, placing the Rate file in the Rate folder and the Boundary file in the Boundary folder. https://sstgb.sharefile.com/ Files in the SST Sharefile Rate and Boundaries folder are not available to CSPs or the public.

- By the first day of the month prior to the beginning of a calendar quarter, Testing Central will move only the changed files to the SST website for public access. Testing Central will move the files to the SST website after noon on the last day of the month prior to the first day of each calendar quarter.

If a corrected or updated Rate or Boundary file is submitted on or after the first day of the month prior to the beginning of a calendar quarter, the state must do the following:

- Place the file in the SST Sharefile Rate and Boundaries folder.

- Notify Testing Central by email the file has been moved to this directory.

- Send Testing Central form TC0001 State Change Request (Located in the web site library).

Upon notification that the file is available on the SST Sharefile Rate and Boundaries folder, Testing Central will:

- Move the file to the SST website Rate and Boundary directory at http://streamlinedsalestax.org/ratesandboundry/.

- Update the SSTGB web site indicating an updated file is available. http://www.streamlinedsalestax.org/index.php?page=alias-12

- Notify CSPs of new file.

- Send an email to the Rate and Boundary List Serv notifying participating companies of the new file.

D. Database Fields

States must complete all fields in the databases for consistency in database queries.

The boundary database follows the MTSA format, with 7 additional fields added to allow querying the database by one of three methods: 5-digit zip code, 9-digit zip code (zip+4), or by address.

The fields that were added to the MTSA file format to create the SST Boundary Table are:

- Record Type – A one-character indicator that shows the record type:
  - "A" for an address-level record (data row),
  - "Z" for a zip-level record, and
  - "4" for a zip+4- level record.

- Zip Code Low (5 bytes) - The beginning 5-digit zip code for therange

- Zip Extension Low (4 bytes) - The beginning 4-digit extension for the range

- Zip Code High (5 bytes) - The ending 5-digit zip code for the range

- Zip Extension High (4 bytes) - The ending 4-digit extension for the range
  - The state may create zip code ranges for consecutive 5 or 9-digit zip codes that are contained within the same taxing jurisdictions (all zip codes within that range will have the same FIPS codes assigned). A state may have some zip code ranges and some individual zip code rows.

- Composite SER Code (5 bytes) - Code used to report tax amounts on the SER in states requiring the total tax be reported for a transaction under one code, rather than multiple codes.

- FIPS State Indicator – Indicates if the state tax applies to a record (data row) in the database. If state tax applies the State Indicator is the same as the State Code; If state tax does not apply the State Indicator is "00".

E. FIPS Codes

Each taxing jurisdiction is identified using the Federal Information Processing Standards (FIPS) code for that jurisdiction. A unique FIPS code is used for each jurisdiction within the state. However, FIPS codes are not unique between states. Another state may use the same FIPS codes.

The FIPS codes can be located on at www.itl.nist.gov/fipspubs

The Jurisdiction FIPS Code are the FIPS codes from the boundary database for the state, county, Place (municipality), and Special Jurisdiction Codes

- FIPS State and FIPS State Indicator
  - The FIPS state code is required in each database row or record, because it identifies which state the record is for and is used to link to the correct state rate database.
  - The FIPS State Indicator indicates if a state-level sales tax applies to that boundary row. The FIPS State Indicator field must either be equal to the FIPS State Code or "00" if no state tax applies. Some locations in a state may not be subject to the state sales tax, such as Indian tribal lands.

F. Beginning Effective/Ending Effective Dates

For both the boundary and rates database, the rows are date dependent. Each record has a Beginning Effective and an Ending Effective date that shows the period of time that line item was effective.

1) When the database is initially created:

- The Beginning Effective Date fields should be the date the database is created.
- All Ending Effective Date fields should be set to a future date, such as "29991231" unless a specific end date for a tax for that address is known – if known then that end date should be used. (For example: a municipality imposes a higher rate from January 1, 2016 to midnight December 31, 2017. The begin date would be 20160101 the end date is 20171231.)

2) Changes to a database:

Changes in the boundary or rate files must be identified. Changes are identified by creating a new record (or line item) when the address, zip code, or rate is changed.

When a file has incorrect data, it is important to end the line that is incorrect, then start a new line with the corrected data. This provides CSPs data to correctly return same tax on returned items as was assessed on transactions made prior to changes. It also provides data to document when the CSP should have liability relief due to errors or changes provided by the states.

It is important to track the dates notices (TC0001) are sent to CSPS, other than the first of a calendar quarter, as liability relief is based on when notice is provided to the CSPs.

States should try to limit all additions and changes to the rate and boundary files to the first day of the next calendar quarter when possible.

1. Adding new address or rate for start of a quarter:

- Use the first day of the next calendar quarter as the Beginning Effective Date.
- No notice (TC0001) is required if the change is dated the first of the quarter and submitted and posted 30 days prior to the first of the quarter.

Example: Added new address effective 10/1/2017

A	20171001	29991231	722	724	E	S	10TH	ST						ABERDEEN	57401		

Liability:

- Corrections/updates to CSP files and to seller's files must be made by the first of the quarter. There is no additional liability relief provided to CSPs or sellers for Rate and Boundary file changes effective on the first of the quarter that are submitted to Testing Central and posted to the SSTGB website 30 days prior to the first day of the quarter.

2. Correcting address or rate for start of a quarter:

- On the line for the Incorrect Address: Enter the Ending Effective Date

- On the line for the Corrected Address: Enter date address is corrected as the Beginning Effective Date. The Beginning Effective Date for the corrected line must be after the Ending Effective Date for the incorrect line.

- No notice (TC0001) is required if the change is dated the first of the quarter and submitted and posted 30 days prior to the first of the quarter.

Example: Corrected address effective 10/1/2017

A	20170401	20170930	220	220	E		OAK	AVE						AVON	57555	2118						46	46	91	7180
A	20171001	29991231	220	220	E		OAK	ST						AVON	57555	2164						46	46	91	7180

Liability:

- Corrections/updates to CSP files and to seller's files must be made by the first of the quarter. There is no additional liability relief provided to CSPs or sellers for Rate and Boundary file changes effective on the first of the quarter that are submitted to Testing Central and posted to the website 30 days prior to the first day of the quarter.

3. Adding address or rate in the middle of a quarter:

- Use the date address or rate is added as the Beginning Effective Date.

- Complete TC0001 and send to Testing Central for notification to the CSPs of this change. No notice (TC0001) is required if the change is dated the first of the next calendar quarter and submitted to Testing Central and posted to the SSTGB website 30 days prior to the first day of the quarter.

Example: Added an address on 8/15/2017.

A	20170815	29991231	730	730	E	S	10TH	ST						ABERDEEN	57401		

Liability:

- The CSP has 10 business days after they receive notice of the change to correct their records. (CSP Contract)
- All other sellers will not be liable for this change until the first day of the next calendar quarter, which begins 10/1/2017. SSUTA Section 305

4. Correcting address or rate during the quarter:

- On the line for the Incorrect Address: Enter the Ending Effective Date

- On the line for the Corrected Address: Enter date address is corrected as the Beginning Effective Date. The Beginning Effective Date for the corrected line must be after the Ending Effective Date for the incorrect line.
- Complete TC0001 and send to Testing Central for notification to the CSPs of this change. No notice (TC0001) is required if the change is dated the first of the quarter and submitted and posted 30 days prior to the first of the quarter.

Example: Corrected the Zip Extension.

A	20170401	20170814	220	220	E		OAK	AVE		AVON	57555	2118		46	46	91	7180
A	20170815	29991231	220	220	E		OAK	AVE		AVON	57555	2164		46	46	91	7180

Example: State accidently omitted the state code.

A	20170701	20170814	1	475	B		PO BOX		AVON	57555	0		46		87	7180
A	20170815	29991231	1	475	B		PO BOX		AVON	57555	0		46	46	87	7180

Liability:

- The CSP has 10 business days after they receive notice of the change to correct their records. (CSP Contract) Notice is provided through use of TC0001 State Change Form.
- All other sellers will not be liable for this change until the first day of the next calendar quarter, which begins 10/1/2017. SSUTA Section 305.

G. Archiving Records

To control the size of the database, records over five years old may be purged to an archive file. (5 years old based on the Ending Effective Date)

V. Boundary Database Format

The boundary database is designed to provide one database for all boundary queries regardless of the level of detail the state provides.

Data may be queried using a 9-digit zip code (zip +4), a 5-digit zip code, or if provided by the state, using an address.

Each row on the database must be unique for the query to return one record, based on the record type queried (Address, 9-digit or 5-digit zip code). An address, 9-digit or 5-digit zip code can only be valid for one row of the database. (The exception being when there are two or more of the same row on the database due to effective dates.)

Queries must return all jurisdiction FIPS codes that apply to that zip code or address.

Upon retrieving the FIPS codes from the boundary database, the user will access the rate database to obtain the tax rates for the FIPS codes to use to compute the tax.

A. "A" - Address Level Boundary Records

Address records have Record Type equal to "A."

The zip code low and high fields and the zip extension low and high fields are null (blank) on address records. This will allow vendors to get the same FIPS results regardless of how they query the database.

The state may create address ranges for consecutive Low/High Address Range that are contained within the same taxing jurisdictions (all zip codes within that range will have the same FIPS codes assigned). An address range is only for addresses that have same Street Name, City Name and Zip Code, Zip Extension. A state may have some ranges and some individual address rows.

States must also create data rows that allow query by just a 5-digit zip code and by just a 9-digit zip code.

An address search may be performed using the address with only the 5-digit zip code. The address record may contain the 9-digit zip code, but a search by 5-digit zip with the address is okay.

PO Boxes may be entered using ranges. PO Box goes in the Street Name, the Range High/Low may be either numeric (1 – 9999) or alpha (a-z) but cannot be combined numeric/alpha (1A-9999Z). The Plus4 cannot be added to a combined PO Box range at the A level, but should be included in the 4 Level.

Some states may have their own address level database from which they can generate the SSTP Boundary Table. If a state has an address based system of determining taxing jurisdiction that is in compliance with MTSA, the state can populate the SSTP Boundary Table.

Record Type	Begin Date	End Date	Low Address Range	High Address Range	Odd / Even Range Indicator	Street Pre-Directional Abbr.	Street Name	Street Suffix Abbr	City Name	Zip Code	Plus 4	...	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
A	20120101	29991231	1000	2000	O	SW	Simple	DR	Anywhere	84075	5545		49	49	003	12345
A	20120101	29991231	2001	2001	O	SW	Simple	DR	Anywhere	84075	5546		49	49	003	12345

B. “4” - 9-Digit Zip Code Boundary Records

9-digit zip code records have Record Type equal to “4.”
The street name field contains null (blank) values on 9-digit zip code rows.
The jurisdictions associated with this data row are the lowest rates for that 9-digit zip code.
These rows are used as a fall back when an address cannot be found.
The 9-digit zip code rows are required, as there may be multiple address level rows for a 9-digit zip code due to multiple taxing jurisdictions within a 9-digit zip code.
A state may create zip code ranges for consecutive 9-digit zip codes that are contained within the same taxing jurisdictions (all zip codes within that range will have the same FIPS codes assigned). A state may have some zip code ranges and some individual zip code rows.

A 9-digit zip code may not be in more than one “4” record, with exceptions of when there are two or more of the same row on the database due to past changes effective dates.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	...	City Name	Zip Code	Plus 4	Zip Code Low	Zip Ext Low	Zip Code High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
4	20100101	29991231						84075	0001	84076	9999		49	49	003	12345

4	20100101	29991231						84078	1234	84078	1234		49	49	003	12333

C. "Z" - 5-Digit Zip Code Boundary Records

5-digit zip code records have Record Type equal to "Z."
The street name field and the Zip Extension Low/High must contain null (empty) values.
5-digit zip code records must have the Zip Code Low and Zip Code High fields.
A state may create zip code ranges for consecutive 5-digit zip codes that are contained within the same taxing jurisdictions (all zip codes within that range will have the same FIPS codes assigned). A state may have some zip code ranges and some individual zip code rows.
The jurisdictions associated with this data row are the lowest rates for that zip code or zip code range.
These rows are used as a fall back when an address or 9-digit zip code cannot be found.

A zip code may not be in more than one "Z" record, with exceptions of when there are two or more of the same row on the database due to past changes effective dates.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	……	City Name	Zip Code	Plus 4	Zip Code Low	Zip Ext Low	Zip Code High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
Z	20100101	29991231						84075		84075			49	49	003	
Z	20100101	29991231						84076		84099			49	49		

D. Composite State (combined reporting)

A state may require tax amounts be reported on the SER under each individual taxing jurisdiction or the state may require the tax for all jurisdictions be totaled and reported under a composite SER code.

Composite Codes:

If a state requires combined reporting, a composite SER code is included for each record in the boundary database.

If a state does not require combined reporting, the Composite SER Code is Null/Blank.

When a Composite Code is used, the user will look up the tax rates using the state, county, place, and any special jurisdiction codes and calculates the tax for each code. The tax is then combined and reported on the SER using the composite SER code as the jurisdiction.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	……	City Name	Zip Code	Plus 4	Zip Code Low	Zip Ext Low	Zip Code High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
4	20100101	29991231						84075	0000	84076	9999	98765	49	49	003	12345

E. Boundary Database Field Requirements

Identifies if the data is required based on Record Type, Length of Data, Format of Data.

Null Plus 4 fields are shown as “0000”. Optional fields are left empty if not used.

				Record Type				
Column	Field Name	Length	Type Format	Address Level	9-Digit Zip Level	5-Digit Zip Level	Comment/Descriptions	Codes and Examples
A	Record Type	1	Char	Must equal “A”	Must equal “4”	Must equal “Z”	Indicates format of record	A = Address 4 = 9-digit zip (zip+4) Z = 5-digit Zip
B	Beginning Effective Date	8	Date CCYYMMDD	Required	Required	Required	Indicates the beginning date that record in the table should be used to retrieve address boundary data.	20040101
C	Ending Effective Date	8	Date CCYYMMDD	Required	Required	Required	Indicates the last date that record in the table should be used to retrieve address boundary data.	20040331
D	Low Address Range	10	Char	Required	Null (leave blank)	Null (leave blank)	This field can be used for two types of address data. For PO Box numbers or a range of numbers, it will contain the low end of a range of PO Box number(s). For an address that contains a street address(s), it will contain the low address range of the street address(s).	PO Box Example: PO Boxes run from 100-1500, Low Address Range = 100 High Address Range = 1500 Street Example: Address 816 N Main ST Low Address Range = 816 High Address Range = 816
E	High Address Range	10	Char	Required	Null	Null	This field can be used for two types of address data. For PO Box numbers or a range numbers, it will contain the high end of a range of PO Box number(s). For an address that contains a street address(s), it will contain the high address range of the street address(s).	PO Box Example: PO Boxes run from 100-1500, Low Address Range = 100 High Address Range = 1500 Street Example: Address 816 N Main ST Low Address Range = 816 High Address Range = 816
F	Odd/Even Indicator	1	Char	Dependent	Null	Null	Indicates if the given range of address(s) is odd or even. For PO Boxes field should be null (blank)	O – Odd E – Even B – Both

G	Street Pre-Directional	2	Char	Type Dependent	Null	Null	Should have a value if Street Post Direction does not have a value. For PO Boxes field should be Null (blank) (Primary Address-address line 1)	N, S, E, W, NE, NW, SE, SW
H	Street Name	20	Char	Required	Null	Null	Name of the city where the address occurs. (Primary Address-address line1)	
I	Street Suffix Abbreviation	4	Char	Type Dependent	Null	Null	Indicates the type of street (Primary Address-address line1)	AVE, ST, CRT, etc.
J	Street Post Directional	2	Char	Type Dependent	Null	Null	Should have a value if Street Pre-Directional does not have a value. For PO Boxes field should be Null (blank) (Primary Address-address line1)	N, S, E, W, NE, NW, SE, SW
K	Address Secondary Abbreviation	4	Char	Optional	Optional	Optional	If highrise or firm (Secondary Address-address line 2)	
L	Address Secondary (Low)	8	Char	Optional	Optional	Optional	If highrise or firm (Secondary Address-address line 2)	
M	Address Secondary (High)	8	Char	Optional	Optional	Optional	If highrise or firm (Secondary Address-address line 2)	
N	Address Secondary (Odd/Even)	1	Char	Optional	Optional	Optional	If highrise or firm (Secondary Address-address line 2)	O – Odd E – Even B – Both
O	City Name	28		Required	Null	Null	Required for address query	
P	Zip Code	5		Required	Null	Null	5-digit zip code	
Q	Plus 4	4		Required	Null	Null	4-digit zip code extension	
R	Zip Code Low	5		Null	Required	Required	Low range for a 5-digit zip code	
S	Zip Extension Low	4		Null	Required	Null	Low range for a 4-digit zip code extension	
T	Zip Code High	5		Null	Required	Required	High range for a 5-digit zip code. If range is for a single zip code this is same as the low range.	
U	Zip Extension High	4		Null	Required	Null	High range for a 4-digit zip code extension.	

							If range is for a single zip code this is same as the low range.	
V	Composite SER Code	5		Optional	Optional	Optional	If a composite SER Code is listed, the state requires the seller/CSP report the combined tax for that transaction under the composite code on the SER.	
W	FIPS State Code	2		Required	Required	Required	State FIPS code as defined by federal government www.itl.nist.gov/fipspubs	01, 10, 20, 21, 25
X	FIPS State Indicator	2		Optional	Optional	Optional	Equal to state FIPS code if state tax rate applies. Equal to "00" if state tax rate does not apply	01, 10, 20, 21, 25
Y	FIPS County Code	3		Optional	Optional	Optional	Required if a county tax rate is in effect. County FIPS code as defined by federal government. www.itl.nist.gov/fipspubs	111, 584, 958
Z	FIPS Place Code (Municipality) Number	5		Optional	Optional	Optional	Required when the city has a rate in effect. Includes: Place, city, municipality FIPS code as defined by federal government. www.itl.nist.gov/fipspubs Municipality township, named unincorporated area, tribal land, etc.	12548 Note tables differed in description – does this include unincorporated area/tribal land?
AA	FIPS Place Class Code	2		Optional	Optional	Optional	Place Class FIPS code as defined by federal Government. www.itl.nist.gov/fipspubs	55
AB	Longitude Data	7		Optional	Null	Null	Expressed as a coordinate	-100.582
AC	Latitude Data	7		Optional	Null	Null	Expressed as a coordinate	40.2582
AD	Special Tax District Code Source (#1)	2		Optional	Optional	Optional	Use when state has special taxing jurisdictions.	"VD" for Vendor Defined "ST" for State Defined.
AE	Special Tax District Code (#1)	5		Type Dependent	Type Dependent	Type Dependent	State assigned code for a special taxing jurisdiction.	

AF	Type of Taxing Authority Code (#1)	2		Type Dependent	Type Dependent	Type Dependent	Use when state has special taxing jurisdictions. Code List From: X12 Data Element 1721.	
AG-CK	Special Tax District Code Source (#2 through #20)	2					Use when state has special taxing jurisdictions.	"VD" for Vendor Defined "ST" for State Defined.
AG-CK	Special Tax District Code (#2 through #20)	5					State assigned code for a special taxing jurisdiction.	
AG-CK	Type of Taxing Authority Code (#2 through #20)	2					Use when a state has special taxing jurisdictions. Code List from: X12 Data Element 1721.	

F. Taxing Authority Type Code – X12 Data Element 1721

Any request for additions or changes to this list must be made through the TIGERS group, which is a work group of X12.

Note: The numbers are not consecutive and some numbers are not used.

00	**County**	24	Reclamation District	51	Annual County Bond Authority
01	**City**	25	Fire or Police	52	Semi-annual County Bond Authority
02	Town	26	Roads or Bridges	53	Annual City Bond Authority
03	Village	27	Hospitals	54	Semi-annual City Bond Authority
04	Borough	29	Other Municipal Services	59	Other Bond Authority
05	Township	40	Township and County	61	Assessment District
09	Other Municipality	41	City and School	62	Homeowner's Association
10	School District	42	County collected by Other Taxing	**63**	**Special District**
11	Junior Colleges	43	State and County	69	Other Special Districts
19	Other Schools	44	Central Collection Taxing Authority	70	Central Appraisal Taxing Authority
20	Water Control	**45**	**State Taxing Authority**	71	Unsecured County Taxes
21	Utility District	49	Other Combination Collection	72	Mobile Home Authority
22	Sanitation	50	Bond Authority	79	Other Special Applications
23	Water or Sewer District				

VI. SSTGB Boundary Table Example

Header rows are not included in the CSV file.

A	B	C	D	E	F	G	H	I	J	K
Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	High Address Range	Odd / Even Range Indicator	Street Pre-Directional Abbr.	Street Name	Street Suffix Abbr	Street Post Directional	Address Secondary Abbreviation
A	20100101	29991231	1000	2000	O	SW	Simple	DR		
4	20100101	29991231								
Z	20100101	29991231								

L	M	N	O	P	Q	R	S	T	U	V	W
Address Secondary (low)	Address Secondary (high)	Address Secondary (odd/even)	City Name	Zip Code	Plus 4	Zip Code Low	Zip Extension Low	Zip Code High	Zip Extension High	Composite SER code	FIPS State
			Anywhere	84075	5545						49
						84075	5545	84075	5545		49
						84075		84075			49

X	Y	Z	AA	AB	AC	AD	AE	AF	AG:CH	CI	CJ	CK
FIPS State Indicator	FIPS County Code	FIPS Place Code	FIPS Place Class Code	Longitude Data	Latitude Data	Special Tax District Code Source (#1)	Special Tax District Code (#1)	Type of Taxing Authority Code (#1)	…	Special Tax District Code Source (20)	Special Tax District Code (20)	Type of Taxing Authority Code (20)
49	003	11111				ST	22222	49				
49	003	11111				ST	22222	49				
49												

Address level CSV File

A,20030101,20051231,1000,2000,O,SW,SIMPLE,DR,,,,,Anywhere,84075,5545,,,,,,49,49,003,1111 1,,,,ST,22222,49,,,

9-digit zip code CSV File

4,20100101,29991231,,,,,,,,,,,,,,84075,5545,84075,5545,01724,49,49,003,11111,,,,ST,22222,49,,,
,,

5-digit zip code CSV File

Z,20100101,29991231,,,,,,,,,,,,,,84075,,84075,,01724,49,49,,,
,,,,,

CSV file does not include headers. It is data only.

CSV file includes "," for each field out through the 20 Special Jurisdictions. Do not include extra "," at the end.

VII. Rate Database Format

The Rate database contains the tax rate for each jurisdiction FIPS and Special Taxing District code used in the boundary database. These include the FIPS State Indicator Code, FIPS County code, FIPS Place Class Code, and Special Taxing District Code(s)

The rate database does not include Composite Codes. Composite codes are for reporting purposes only and are not used to determine the tax rates.

Rates are shown as decimal fractions; e.g. a rate of 5% is shown as 0.0500.

- Do NOT store the percent sign (%) in the database. Rates are to be stored as numerical values only.

The rate database allows states to have two (2) state tax rates. The two state rates are for states that have a general state sales tax rate and a different state sales tax rate for food or drug sales. The seller uses the rate that applies to the goods being sold. All states must fill in each rate field for each jurisdiction for uniformity in processing.

Example of table for state that exempts Food/Drugs from state tax.

State	**Jurisdiction Type**	**Jurisdiction FIPS Code**	**General Tax Rate – Intrastate**	**General Tax Rate – Interstate**	**Food/Drug Tax Rate – Intrastate**	**Food/Drug Tax Rate – Interstate**	**Begin Date**	**End Date**
49	45	49	0.04875	0.04875	0.0000	0.0000	20040101	20041201
49	00	003	0.0100	0.0100	0.0100	0.0100	20040101	20041201
49	01	12345	0.0125	0.0125	0.0125	0.0125	20040101	20041201

The rate database also provides a tax rate for in-state (intrastate) sales vs. out-of-state (interstate) sales. The in-state (intrastate) vs. out-of-state (interstate) rates are provided for states that may allow for a local tax on in-state sales but no local tax on sales originating out-of-state. All fields must be completed, even if the state has the same rates for in-state and out-of-state sales.

Example of table for state that does not impose local tax on Interstate sales.

State	**Jurisdiction Type**	**Jurisdiction FIPS Code**	**General Tax Rate – Intrastate**	**General Tax Rate – Interstate**	**Food/Drug Tax Rate – Intrastate**	**Food/Drug Tax Rate – Interstate**	**Begin Date**	**End Date**
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	20041201
49	00	003	0.0100	0.0000	0.0100	0.0000	20040101	20041201
49	01	12345	0.0125	0.0000	0.0125	0.0000	20040101	20041201

SSTGB Rate Table Data Matrix

Column	**Field**	**Length**	**Type**	**Comment / Description**
A	State	2	Char	
B	Jurisdiction Type	2	Char	Type of Taxing Authority Code X12 Data Element 1721

C	Jurisdiction FIPS code	2-5	Char	2 digits for State FIPS Codes 3 digits for County FIPS Codes 5 characters/digits for all other codes Leading zeros in must be included
D	General Tax Rate - Intrastate	1.5	Decimal	Always 0.nnnnn e.g. 0.05255 Do not include % sign
E	General Tax Rate - Interstate	1.5	Decimal	Always 0.nnnnn e.g. 0.05255 For jurisdictions other than the state: If the jurisdiction's tax is not imposed on sales originating out of state, enter "0" in columns E and G. If tax is imposed the same, enter the same tax rates in columns D,E,F, and G
F	Food/Drug Tax Rate - Intrastate	1.5	Decimal	Always 0.nnnnn e.g. 0.05255 If state does not have a lower sales tax rate for food/drugs, enter the general state sales tax rate in F and G (same as columns D and E)
G	Food/Drug Tax Rate - Interstate	1.5	Decimal	Always 0.nnnnn e.g. 0.05255
H	Effective Begin Date	8	Date	CCYYMMDD
I	Effective End Date	8	Date	CCYYMMDD

Rate Table Example

Header row is not included in the rate database.

A	B	C	D	E	F	G	H	I
State	Jurisdiction Type	Jurisdiction FIPS Code	General Tax Rate – Intrastate	General Tax Rate – Interstate	Food / Drug Tax Rate – Intrastate	Food / Drug Tax Rate – Interstate	Begin Date	End Date
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	29991231
49	00	003	0.0100	0.0100	0.0100	0.0100	20040101	29991231
49	01	11111	0.0125	0.0125	0.0125	0.0125	20040101	29991231
49	63	22222	0.0200	0.0200	0.0200	0.0200	20100101	29991231

Rate CSV File

49,45,49,0.04875,0.04875,0.04875,0.04875,20040101,20040101
49,00,003,0.01,0.01,0.01,0.01,20040101,20040101
49,01,11111,0.0125,0.0125,0.0125,0.0125,20040101,20040101

VIII. Calculating Tax

In all instances, the computation of the tax amount is based on the individual rates, whether the state is a "single" state or a "composite" state. This will ensure a common method for computing the tax.

Calculate tax for each FIPS Code (taxing jurisdiction) separately.

IX. Using the Rate and Boundary Files

The rows in the boundary and rate databases are date dependent. Each query must ensure that the transaction date is within the beginning effective and ending effective dates on the row.

Each query must check for the Record type based on an address, 9-digit zip code or 5-digit zip code search.

The rate database allows states to have two (2) state tax rates. The two state rates are for states that have a general sales tax rate and a special rate for food or drug sales. The seller would use the rate that applied to the goods being purchased.

The rate database also provides a tax rate for in-state (intrastate) sales vs. out-of-state (interstate) sales. The in-state (intrastate) vs. out-of-state (interstate) rates are provided for states that allow a local tax on in-state sales but no local tax on sales originating out-of-state.

Example 1. Address Level

The seller is determining the tax rates for: 1035 SW Simple Dr, Anywhere ST 84075-8944

Query the Boundary Database:

An address level query includes queries for the following:
- Record Type equal to "A" (address level)
- Transactions date falls within the Beginning Effective and Ending Effective Dates
- Each component of the address must be an exact match to that component in the table (may exclude the zip extension from the query)

To be a match at the "A" level, the address must match all address fields exactly as in the database. Exception, an address level query may exclude the zip extension field.

In this example the address is within the following "Address Range".

NOTE: This is an abbreviated view of the data base row and does not contain all elements.

Record Type	Low Address Range	High Address Range	Odd / Even Range Indicator		Street Pre-Directional Abbr.	Street Name	Street Suffix Abbr	City Name	Zip Code	Plus 4	Zip Code Low	…	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
A	1000	2000	O		SW	Simple	DR	Anywhere	84075	5545				49	49	003	12345

The address matched in this database returns the following FIPS Codes:
- FIPS State Code = 49
- FIPS State Indicator Code = 49
- FIPS County Code = 003
- FIPS Place Code = 12345

Query the Rate Database:

A Rate Table query includes queries for the following:
- FIPS State Code – to ensure the rates are returned for the correct state
- Transaction date falls within the beginning effective and ending effective dates
- Each FIPS code to determine the rate for that jurisdiction

State	Jurisdiction Type	Jurisdiction FIPS Code	General Tax Rate – Intrastate	General Tax Rate – Interstate	Food/Drug Tax Rate – Intrastate	Food/Drug Tax Rate – Interstate	Begin Date	End Date
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	20041201
49	00	003	0.0100	0.0100	0,0100	0.0100	20040101	20041201
49	01	12345	0.0125	0.0125	0.0125	0.0125	20040101	20041201

The rates file returned the following rates:

- FIPS State Indicator Code 49: 0.04875
- FIPS County Code 003: 0.0100
- FIPS Place Code 12345: 0.0125

Example 2. 9-digit Zip Code Level Query

The seller is determining the tax rates for: 1035 SW Simple Dr, Anywhere ST 84075-8944

Query the Boundary Database:

A query for a 9-digit zip code includes queries for the following:

- Record Type equal "4" to ensure only returns from the 9-digit section of the database are searched. If this is not used and the state maintains address level data, the query may return multiple records (from address and 9-digit zip record).
- Transactions date falls within the Beginning Effective and Ending Effective Dates
- Zip high/low range the 5-digit zip falls within
- Zip Extension high/low range the +4 falls within

The query for this address returns the following record:

NOTE: This is an abbreviated view of the data base row and does not contain allelements.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	…	City Name	Zip Code	Plus 4	Zip Code Low	Zip Ext Low	Zip Code High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
4	20100101	29991231						84075	0001	84076	9999		49	49	003	12345

The 9-digit zip code (84075-8944) from this database returns:

- FIPS State Code: 49
- FIPS State Indicator Code: 49
- FIPS County Code: 003
- FIPS Place Code: 12345

Query the Rate Database:

A Rate Table query includes queries for the following:

- FIPS State Code – to ensure the rates are returned for the correct state
- Transaction date falls within the beginning effective and ending effective dates
- Each FIPS code to determine the rate for that jurisdiction

State	Jurisdiction Type	Jurisdiction FIPS Code	General Tax Rate – Intrastate	General Tax Rate – Interstate	Food/Drug Tax Rate – Intrastate	Food/Drug Tax Rate – Interstate	Begin Date	End Date
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	20041201
49	00	003	0.0100	0.0100	0.0100	0.0100	20040101	20041201
49	01	12345	0.0125	0.0125	0.0125	0.0125	20040101	20041201

The rates file returned the following rates:

- FIPS State Indicator Code 49: 0.04875
- FIPS County Code 003: 0.0100
- FIPS Place Code 12345: 0.0125

Example 3. 5-digit Zip Code Level Query

The seller is determining the tax rates for: 1035 SW Simple Dr, Anywhere ST 84075-8944

If no match was found at the Address or 9-digit zip code level. The database is queried at the 5-digit zip code level using zip code 84075.

Query the Boundary Database:

A query for a 5-digit zip code includes queries for the following:

- Record Type equal to "Z"
- Transactions date falls within the Beginning Effective and Ending Effective Dates
- Zip high/low range the 5-digit zip falls within

The database may return rows that look like either of the following:

NOTE: This is an abbreviated view of the data base row and does not contain allelements.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	… …	City Name	Zip Code	Plus 4	Zip Low	Zip Ext Low	Zip High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
Z	20100101	29991231						84075		84075			49	49	003	

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	… …	City Name	Zip Code	Plus 4	Zip Low	Zip Ext Low	Zip High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
Z	20100101	29991231						84070		84099			49	49	003	

In the first database row, the zip code is an exact match. In the second example, the value 84075 is within the range 84070<-> 84099. In either instance, this database returns the following FIPS codes.

- FIPS State Code: 49
- FIPS State Indicator: 49
- FIPS County Code: 003

No Place code is included on the data row. Because the five-digit zip code is valid both within the city (with local jurisdiction tax) and outside the city (without local jurisdiction tax), the lowest jurisdictional tax rate must be applied, which in this example is no local jurisdiction tax.

Query the Rate Database:

A Rate Table query includes queries for the following:

- FIPS State Code – to ensure the rates are returned for the correct state
- Transaction date falls within the beginning effective and ending effective dates
- Each FIPS code to determine the rate for that jurisdiction

State	Jurisdiction Type	Jurisdiction FIPS Code	General Tax Rate – Intrastate	General Tax Rate – Interstate	Food/Drug Tax Rate – Intrastate	Food/Drug Tax Rate – Interstate	Begin Date	End Date
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	20041201
49	00	003	0.0100	0.0100	0.0100	0.0100	20040101	20041201
49	01	12345	0.0125	0.0125	0.0125	0.0125	20040101	20041201

The rates file returned the following rates:

- FIPS State Indicator Code 49: 0.04875
- FIPS County Code 003: 0.0100

Example 4. Composite SER Code

States have the option to require sellers or CSP to report tax amounts on the SER in a combined or composite amount. The state will indicate use of a composite amount by including a Composite SER code in the boundary file at each level, address, 9 or 5-digit zip code.

The following example is of the boundary database in which the state has provided a Composite SER Code of 98765 for the zip code range 84075-0001 through 84076-9999.

NOTE: This is an abbreviated view of the data base row and does not contain all elements.

Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	...	City Name	Zip Code	Plus 4	Zip Low	Zip Ext Low	Zip High	Zip Ext High	Composite SER code	FIPS State	FIPS State Indicator	FIPS County	FIPS Place
4	20100101	29991231						84075	0001	84076	9999	98765	49	49	003	12345

A 9-digit zip code (84075-8944) query in this database returns the following FIPS and Composite SER codes:

- FIPS State Code = 49
- FIPS State Indicator = 49
- FIPS County Code = 003
- FIPS Place Code = 12345
- Composite SER Code = 98765

Query the Rate Database:

A Rate Table query includes queries for the following:

- FIPS State Code – to ensure the rates are returned for the correct state
- Transaction date falls within the beginning effective and ending effective dates

- Each FIPS code to determine the rate for that jurisdiction

State	Jurisdiction Type	Jurisdiction FIPS Code	General Tax Rate – Intrastate	General Tax Rate – Interstate	Food/Drug Tax Rate – Intrastate	Food/Drug Tax Rate – Interstate	Begin Date	End Date
49	45	49	0.04875	0.04875	0.04875	0.04875	20040101	20041201
49	00	003	0.0100	0.0100	0.0100	0.0100	20040101	20041201
49	01	12345	0.0125	0.0125	0.0125	0.0125	20040101	20041201

The rates file returned the following rates:

- FIPS State Indicator Code 49: 0.04875
- FIPS County Code 003: 0.0100
- FIPS Place Code 12345: 0.0125

- Compute the tax amount for each jurisdiction
- Sum the tax amounts for all jurisdictions
- Reports the total tax for this transaction on the SER under the jurisdictions using the Composite code of 98765. (Tax reported under this code includes the total tax for all transactions that fall under this code during that reporting period.)

X. SER Examples

This example shows how tax is calculated and reported on a $1000 taxable purchase for a Composite state and a state that is not a Composite State.

Calculate tax for each code:

CODE	Tax Rate	Tax
FIPS State Code 49	Identifies State	
FIPS State Indicator 49	0.04875	48.75
FIPS County Code 003	0.0100	10.00
FIPS Place Code 12345	0.0125	12.50
Composite SER Code 98765	Used for Reporting Only	
TOTAL TAX		71.25

Without a Composite code, report state tax and each jurisdiction tax under the each FIPS code.

SER Fields		
Total Sales	1000.00	
Exemptions Deductions	0.00	
Taxable Sales	1000.00	
State Tax Due Sales In State	48.75	
State Tax Due Sales Orig Out of State	0.00	
State Tax Due Own Purch Withdraw	0.00	
State Tax Due Food Drug		

Jurisdiction Detail Fields		
Jurisdiction Code	Juris Tax Due Sales in State	Juris Tax Due Sales Orig Out of State
003	10.00	0.00
12345	12.50	0.00

With a Composite code report the total sales and deductions, but do not report state tax due. Report the total tax due (including the state tax) using the Composite FIPS code.

Do not report using each jurisdictions FIPS codes.

SER Fields		
Total Sales	1000.00	
Exemptions Deductions	0.00	
Taxable Sales	1000.00	
State Tax Due Sales In State	0.00	
State Tax Due Sales Orig Out of State	0.00	
State Tax Due Own Purch Withdraw	0.00	
State Tax Due Food Drug		
Jurisdiction Detail fields		
Jurisdiction Code	Juris Tax Due Sales in State	Juris Tax Due Sales Orig Out of State
98765	71.25	

~~SSUTA Section 304 – 307~~ **~~OPTION – Insert entire R & B paper in the Implementation Guide OR include a short summary in this chapter and refer to the R & B paper.~~**

~~The SSUTA includes requirements for state and local government sales and use tax rates and boundary databases. States are required to develop and maintain databases that provide the tax rates associated with each taxing jurisdiction for that address, nine-digit zip code, or five-digit zip code. The boundary database provides a list of each jurisdiction that imposes a tax at a specific address, nine-digit zip code and five-digit zip code. The rates database shows the sales and use tax rate imposed by each jurisdiction.~~

~~Requirements:~~

- ~~Local rate changes can only be effective on the first day of a calendar quarter after a minimum of sixty days' notice to sellers. (Note: Local rate changes can only be effective on~~

~~the first day of a calendar quarter after a minimum of 120-days' notice on purchases from printed catalogs if the purchaser computed the tax based on the rates published in the catalog.)~~

- ~~Local jurisdiction boundary changes apply only on the first day of a calendar quarter after a minimum of sixty days' notice to sellers.~~

- ~~Provide and maintain a database that describes boundary changes for all taxing jurisdictions, including the effective date of the change.~~

- ~~Provide and maintain a database that assigns each five-digit and nine-digit zip code in the state to the proper tax rates and jurisdictions.~~
  - ~~Apply the lowest combined tax rate imposed in the zip code area if the area includes more than one tax rate in any level of taxing jurisdictions.~~
  - ~~If the nine-digit zip is not available or if a seller or CSP is unable to determine after exercising due diligence, the seller or CSP may apply the rate for the five-digit zip code area.~~

- ~~Option to provide address-based boundary database records for assigning taxing jurisdictions and rates.~~
  - ~~States may require sellers registered under SSUTA to use the address-based database.~~
  - ~~If after exercising due diligence, a seller or CSP is unable to determine address-based rate, they may apply the rate using the nine-digit zip code. If that is not available, they may apply the rate for the five-digit zip code area.~~

- ~~States may elect to certify vendor provided address-based databases for assigning tax rates and jurisdictions.~~

- ~~Databases are to be available to a seller or CSP by the first day of the month prior to the first day of a calendar quarter. (Example: Databases for the quarter beginning July 1, must be made available by June 1.)~~

- ~~Databases must be in a format approved by the governing board. The Rates and Boundary Databases Instructional Paper (August, 2005) details the format and required fields. Rates and boundary databases must be available in .csv format.~~

~~Each state has different requirements regarding the level of granularity needed to maintain their databases depending on the number of state and local taxing jurisdictions that have a sales or use tax. The SSUTA requires zip plus four level address information for all unique taxing jurisdictions in that state.~~

~~Examples~~

- ~~A state that has one rate and no local jurisdictions with a sales or use tax may have one record for the entire state.~~

- ~~A state that has 10 unique taxing jurisdiction rates for a single address is required to return a unique FIPS code for each jurisdiction that imposes a tax at that address. The rates table will show the tax rate that applies to each FIPS code.~~

~~**Rate and Boundary Files Submission Instructions** (Paper dated 8/30/2011, TC0010)~~

~~Rate and Boundary files are required to be available to a seller or CSP by the first day of the month prior to the first day of a calendar quarter. (SSUTA Section 305, I.) These files are located on the SST website under the State Info tab for downloading by any CSP, seller, or vendor.~~

~~Liability relief is provided for changes to Rate and Boundary files made available after the first day of the month prior to a calendar quarter until the first day of the following calendar quarter. (SSUTA Section 306 provides liability relief for use of the Rate and Boundary files. SSUTA Section 305 states effective dates of changes to the Rate and Boundary files.)~~

~~Only files that contain changes should be uploaded. If no changes were made, the previous file will continue to be used.~~

- ~~States upload their changed files to the SST Sharefile Rates and Boundaries directory, placing the Rate file in the Rate folder and the Boundary file in the Boundary folder. https://sstgb.sharefile.com/~~

- ~~On the first day of the month prior to the beginning of a calendar quarter, Testing Central will move only the changed files to the SST website for public access.~~

~~**File Naming Convention**~~

~~States MUST use the correct file naming convention:~~
- ~~The first two digits are the state abbreviation, 'AR'.~~
- ~~The third digit indicates what the file contains and can only be an 'R' or 'B'. 'R' is for a Rate file, the 'B' is for a Boundary file.~~
- ~~The next four digits are the year the file becomes effective, '2016'.~~
- ~~The next two digits are "Q" for quarter and the quarter the file becomes effective, '1', '2', '3', '4'.~~
- ~~The next three digits are the month the file was moved to the SST Sharefile site, 'MAY'.~~
- ~~The last two digits are the day the file was moved to the SST Sharefile site, '19'.~~

~~Example of Arkansas Rate File for 3rd quarter 2016 uploaded to the SST Sharefile site on May 19, 2016: ARR2016Q3MAY19~~

~~**Rate and Boundary files submitted after the first day of the month before the start of the quarter.**~~
~~If a corrected or updated file is submitted after the first day of the month prior to the first day of the next calendar quarter the file is to begin being used, the state must do the following:~~
- ~~Place the file in the SST Sharefile Rate and Boundaries folder.~~
- ~~Notify Testing Central by email the file has been moved to this directory. Placing the file in the SST Sharefile Rate and Boundaries folder does not grant access to these files by the public.~~
- ~~Send Testing Central form TC0006 Rate and Boundary Change (Located in the web site library).~~

~~Upon notification that the file is available on the SST Sharefile Rate and Boundaries folder, Testing Central will:~~

- ~~Move the file to the SST website Rate and Boundary directory at http://streamlinedsalestax.org/ratesandboundry/ .~~
- ~~Notify the CSPs a new file is available and forward form TC0006.~~
- ~~Update the SSTGB web site indicating a change was made and is now available. http://www.streamlinedsalestax.org/index.php?page=alias-12~~

~~**Resources**:~~
~~Rates and Boundaries Database Instructional Paper (August 2005) is available at http://www.streamlinedsalestax.org/index.php?page=schema-sets.~~

Chapter 6 SST Simplified Return Transmissions: SER

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SSUTA Section 318.

The SSUTA requires a uniform, simplified electronic return (SER). The Governing Board adopted the data elements for the return. Data elements for the SER are in the current schema, which is on the SST website under Technology ~~Material~~. Background information is available in the Returns and Remittances white paper on the SSTGB website under Issue Papers (Ref Number IP05005, Issued August 23, 2005).

The simplified electronic return (SER) is a simple and uniform way for sellers to file the sales and use taxes. Because the SER is intended to be as simple as possible, it is very limited in scope and the data included.

Requirements

1. Each state must offer at least two methods of filing for all sellers.
2. States must be able to accept the SER from any sales and use tax licensee. (SSUTA Section 318.C.)
3. Local or jurisdictional sales tax returns may not be required in addition to the state filing. (SSUTA Section 318.A.)
4. The due date can be no earlier than the 20th of the following month. (SSUTA Section 318.B.)
5. A SER may have a negative tax due amount. States may automatically generate a refund, allow the credit to be used on future returns, or require the CSP or seller to complete and submit the state's Claim for Refund form.

Who can and who must use the SER?

- Any seller may use a SER to file and pay tax in a Streamlined member state as of January 1, 2013. The seller does not need to register through the SST Sales Tax Registration System. The transmitter of the SER must test with the state prior to submitting a SER for a non-SST registered seller.
- Model 1 sellers – the CSP must file a SER monthly for each member state.
- Model 2 and Model 3 sellers – must file a SER monthly for each member state, unless they have indicated they anticipate making no sales in that state. (SSUTA Section 318.C.3.)
- Model 4 sellers may file a SER or use other filing methods provided by each state.

The ability to submit a SER is part of the certification process for a CAS provider and CSP.

The ability to accept a SER is a SSUTA requirement for SST member states.

A state may require all taxes reported on a SER be paid electronically. (SSUTA Section 319.B.) Nothing in the SSUTA prohibits a state from requiring all sellers to file and pay electronically.

Benefits

- The SER is simpler to prepare and shorter than many states' traditional returns.
- The seller can use one identification number across all participating states.
- The seller or CSP receives the benefits of electronic filing, including prompt notification that the return was accepted or rejected.
- The state receives the benefits of electronic filing, including fewer incoming errors and elimination of data entry error.

Filing Architecture of the Simplified Return Transmission

Any state that is or plans to become a Streamlined Member state must adopt and implement XML as a key technology for transmission, receipt, and acknowledgement of the Simplified Return Transmission. It is important to have plans in place that will allow implementation of this technology.

By January 1, 2019, each state must adopt web services as the standardized transmission process that allows for receipt of uniform tax returns and other formatted information as approved by the ~~g~~Governing ~~b~~Board.

SST Simplified Return Transmission

Each transmission contains a Transmission Header, Simplified Return Document(s), and may contain a Financial Transaction (bulk payment). A single transmission may contain multiple Simplified Return Documents.

The Simplified Return Document includes a Simplified Electronic Return (SER) only, a SER with a payment, or a Payment only for a single licensee.

An optional bulk payment may be made in a transmission with Simplified Return Documents. The bulk payment is a single payment for distribution to SERs filed without payment in the same transmission. See Chapter 7 for details on the Financial Schema.

Receipt

The receipt shows the communications system was functioning correctly, but does NOT indicate whether the filing was accepted or rejected – that is done by the Acknowledgement.

See Chapter 8 for details on the Receipt Schema

Acknowledgement

The acknowledgement indicates if the transmission was accepted or rejected or if any document within the transmission was rejected.

See Chapter 9 for details on the Acknowledgement Schema.

DATA ELEMENTS: XML Schema for Simplified Return Transmission

See “Schema” chapter for XML Schema Prints.

1. **Transmission Header** - Required

2. **Simplified Return Document** (may be 1 or multiple) - Required
   A. The Simplified Return Document includes one of the following:
      i. Simplified Electronic Return (SER) without a Financial Transaction;
      ii. Simplified Electronic Return (SER) with Financial Transaction; or
      iii. Financial Transaction – payment only for a single licensee.

3. **Financial Transaction** - Optional - bulk payment. A single payment for distribution to SERs filed without payment in the same transmission.

The data fields and requirements are explained below.

1. **Transmission Header** contains the following:
   a. Transmission ID – Required. Transmission ID must be Transmitter ID (see Transmitter below), the five-character Julian date of the transmission, and a six-character unique identifier, usually a sequential number. If the data file is retransmitted for any reason, the Transmission ID must be changed; usually by incrementing the sequential number.

   b. Time Stamp – Optional. The time of transmission.

   c. Transmitter - Transmitter ETIN – Required. This identifies the transmitter.
      i. Seller - Use their SSTPID or State Permit Number when filing their SER.
      ii. CSP - Use their CSPID when filing for a Model 1 licensee and may use the CSPID, State issued ID, or FEIN when filing for other sellers. Check with the state for their requirement for other sellers.
      iii. Accountant or tax preparer - Use their FEIN or state issued number when filing for licensee other than a Model 1.

   d. Process Type – Required. T for Test or P for Production (**Do not mix Test and Production files in the same transmission.**)

   e. Document Count – Required. This is a count of the number of documents including the Simplified Return Document and the Financial Transaction (bulk payments).

   f. TransmissionPaymentHash - Optional. Only include ACH Debit payment amounts.

2. **Simplified Return Document** is used to file a SER without payment, SER with payment, or a Payment only (stand-alone payment) for a specific account. Multiple Simplified Return Documents may be included in a single transmission. This document contains the following:
   a. DocumentId – Required.
   b. DocumentType – Required.
   c. SSTFilingHeader – Required.
   d. One of the following is required:
      1)Simplified Electronic Return (SER) - With or without an optional financial transaction (SER with payment)

2)Financial Transaction - Payment only for a license

Data fields and requirements for the Simplified Return Document Data Elements

a. **DocumentId** – Required - Identification number of the original document.

b. **DocumentType** – Required - indicates whether a SER or Registration is being sent or acknowledged. Types allowed SEROnly, SERWithPayment, PaymentOnly; or PrePayment.

c. **SSTFilingHeader** – Required - is the document header for a SER or a Financial Transaction (payment only for a single account). The SSTFilingHeader contains information to identify the seller, reporting period and the state the filing is for. This information is not repeated in the actual SER.

- States may establish minimal errors for these fields and reject as necessary. (See minimal errors list.)

- Calculation or jurisdiction errors are not minimal errors and should not reject the transmission. States may notify the CSP or seller of calculation or jurisdiction errors through other means - calls, billings notices, etc.

The SSTFilingHeader contains the following elements:

i. ElectronicPostmark - Required. Documents when the return was transmitted. The originator or transmitter adds the postmark when they transmit the SER. If the transmitter is unable to transmit the returns by the due date because the state experiences technical difficulties, the state should use the electronic postmark as the date received to determine if the return was timely filed.

ii. Tax Period Start and End Dates - Required. The tax period is required since the document may be an original or amended return.

iii. DateReceived - Optional - For State Use Only. A state may choose to store the XML documents rather than transferring each field to a backend legacy system. Inclusion of this date allows states to insert the date received and store the document as a whole.

iv. Preparer – Optional. Information on the CPA or other person who created the SER on the seller's behalf. Includes preparer's name, FEIN/SSN, phone number, email, and software ID of the software used. Transmitters or CSPs are assigned an ID by the SST registration system that is included in the Transmission Header. This allows states to track multiple errors received by the same software ID to determine if patterns of errors exist and address those errors with the preparer.

v. FilingType - Required. Indicates if this is a SER without payment, SER with payment, a payment only which may be a prepayment or a return payment, or a retransmission ("resend") of a rejected SER or Payment.

The "Resend" indicator allows a state to distinguish retransmissions from duplicate filings. A retransmission is the ***same*** return that was previously transmitted.

There is a ReturnType indicator in the SER body to indicate if it is an amended return.

vi. SSTPID or StateID - One is required, not both.

a) SSTPID - Required if the seller is a SST seller. This is the SST Identification Number issued during the registration process. This number uniquely identifies the seller. States must accept this number. This number will allow states to cross-reference to back-end systems.
b) StateID - Required if the seller is not a SST seller (they do not have a SSTPID). This is a unique identifier for a seller assigned by a particular state for its own use. Do not use the FEIN unless the state has approved. Some states may issue multiple licenses to a single FEIN, using the FEIN will not match the SER to the proper account.

vii. TIN - FEIN or social security number - Required. Includes an indicator identifying this number as a FEIN or social security number.

viii. FIPSCode - Required. The FIPSCode identifies the state the SER is for. The FIPS code is a 2-digit number from 01 to 56, assigned by the federal government that uniquely identifies each state. FIPS Codes may be found at: http://www.itl.nist.gov/fipspubs/fip5-2.htm. The FIPS code was used rather than the standard 2-letter state abbreviations used by the post office because the Boundary database uses the FIPS code.

d. **1) SimplifiedElectronicReturn (SER)** contains the return detail.
- The SER may include a financial transaction.
- A SER may result in negative tax due.
- A financial transaction may be sent without a SER.
- A bulk payment may only be made for SERs included in the same Simplified Return Document transmission.

i. Return type - Required. Indicates whether it is an original (O) or an amended (A) return.
Amended Returns are a complete new return and a total replacement of the previously submitted data. For example, if the original return shows total sales of $18,000 and the total sales were actually $19,000, the amended return will show total sales of $19,000.

ii. Total Sales - Required.

iii. ExemptionsDeductions - Required.

iv. Exemption Deduction Breakout - Part 2 of the SER. States have option to require this data. State must notify the Governing Board if Part 2 is required. It is optional for sellers to complete Part 2 if the state does not require it.

Sellers required to file Part 2 (the exemption deduction breakout) may do so with each return or once a year with its December SER. If filed on the SER for December, Part 2 is to include the total for all twelve months of that calendar year. (SSUTA Section 318.3. b., c., and d.)

The exemption deduction breakout (Part 2 of the SER) includes the following transaction/exemption types:

a. Agriculture
b. Direct Pay
c. Government/Exempt Organization
d. Manufacturing
e. Resale
f. Other

v. Taxable Sales - Required.

vi. StateTaxDueSalesInState - Required (Do not use if state uses a Composite Code which is used to report all tax, state and local, under a single code.)

vii. StateTaxDueOrigOutOfState ~~-~~– Required (Do not use if state uses a Composite Code, which is used to report all tax, state and local, under a single code.)

viii. StateTaxDueOwnPurchWithdraw – Required. This is consumer use tax. Amounts subject to consumer use tax should also be reported under jurisdiction detail if local tax is due. CSPs filing for Model 1 sellers are responsible for the tax on the transactions seller processes through the CSP. Seller may also send use tax information to CSP to report on the SER.

ix. StateTaxDueFoodDrug - States that do not have a separate rate on food and/or drugs may require a zero in this field. (Do not use if state uses a Composite Code, which is used to report all tax, state and local, under a single code.)

For states that have a separate rate, the StateTaxDueFoodDrug amount is not included in any other StateTaxDue amount element. The tax due amounts add up to the TotalTaxDue.

The agreement allows a state to have a lower tax rate (which may equal 0) on food and drugs. There is no option for a lower or different local jurisdiction rate - if the food and drug is subject to state sales tax, it is subject to the full local jurisdiction taxes. (SSUTA Section 308)

x. JurisdictionDetail - Required for states that have local jurisdictions. Do not include the state tax information in the local jurisdiction detail. The local jurisdiction detail provides the FIPS code and total tax due for each category listed in that local jurisdiction.

- Jurisdiction Code -- FIPS Code
- JurisTaxDueSales InState
- JurisTaxDueSalesOrigOutOfState
- JurisTaxDueOwnPurchWithdraw

xi. TotalTaxDue - Required (may be negative). Total all state and local jurisdiction tax due. Do not subtract the allowance.

xii. InterestDue - Based on each state's Interest rate for late payment.

xiii. PenaltyDue - Based on each state's Penalty rate for late filing of return.

xiv. Discounts - Based on each state's requirements. State allowances are deducted here.

xv. SSTPAllowance - For use by CSPs and CAS - (SSUTA Article VI, Sections 601 and 602). SSTP allowance is calculated based on the sales and use tax due and the rates as negotiated in the CSP Contracts. The allowance percentage varies based on the amount of tax reported for a seller across all SST full member states.

xvi. Priorpayments - Based on each state's requirements.

xvii. NewPrepayments - Based on each state's requirements.

xviii. AmountDueOrRefund - Required. Total amount due from return, including state, jurisdiction tax, interest, and penalty less discounts, allowances and prepayments. This amount may be negative. The states may automatically generate a refund, allow use of credit on future returns, or refund when requested by the CSP or seller.

d. **2) FinancialTransaction** – Payment only for a single licensee. The SSTFilingHeader includes seller and reporting period information. See Chapter 7 for details on financial transactions.

e. **Financial Transaction (Bulk Payment)** - Optional
This financial transaction option is for making a bulk payment for the SERs included in that transmission that do not have an attached payment. Financial Transactions are explained in Chapter 7.

Chapter 7 Simplified Return Transmission: Financial Transaction

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SSUTA Section 319.

Requirements

To be in compliance with the SSUTA Section 319, Uniform Rules of Remittances of Funds, a state must:

1. Allow for electronic payments by all remitters by both ACH Credit and ACH Debit.

2. Provide an alternate method for making same day payments if an electronic funds transfer fails, generally through the use of a Fedwire.

3. Provide that if a due date for a payment falls on a Saturday, Sunday or legal holiday in a member state, the payment, including any related payment voucher information, is due to that state on the next succeeding business day. Additionally, if the Federal Reserve Bank is closed on a due date that prohibits a person from being able to make a payment by ACH Debit or Credit, the payment shall be accepted as timely if made on the next day the Federal Reserve Bank is open.

4. Require that any data that accompanies a remittance be formatted using uniform tax type and payment type codes approved by the Governing Board.

5. Require only one remittance for each return except that a state may require additional remittance from sellers that collect more than thirty thousand dollars in sales and use taxes in their state during the preceding calendar year. Additional payments or pre-payments cannot require filing of an additional return.

The SSUTA agreement provides that a state may require electronic payment of taxes reported on the SER.

Simplified Return Transmission's Financial Transmission Schema

The FinancialTransaction is part of the SSTSimplifiedReturnTransmission.
The FinancialTransaction schema allows for:

- ACH Debit payments,
- ACH Credit payment information, and
- Direct Deposits of Refunds to the seller.

1. The SSTSimplifiedReturnTransmission requires a SimplifiedReturnDocument. Within the SimplifiedReturnDocument, a financial transaction may be filed:
   - with a SER - this is for payment for that specific SER; or
   - as a payment only for a specific license without a SER.

2. The SSTSimplifiedReturnTransmission has an option for Financial Transaction (bulk payment) that may be filed in a single transmission along with the SimplifiedReturnDocuments. This optional financial transaction (bulk payment) is located on the main "trunk" of the schema. The bulk payment allows the transmitter to make a single payment for some or all of the SERs **included in that transmission**, rather than attach a separate payment to each SER. A bulk payment must equal the sum of all SERs in the transmission that do not have payments and does not include any of the stand-alone payments. Stand-alone payments are made in

the Financial Transaction under the SimplifiedReturnDocument.

Example – A SSTSimplifiedReturnTransmission may contain:
SimplifiedReturnDocuments for:

- Three SERs with financial transactions of $100, $125, and $150;
- Three SERs without financial transactions showing AmountDue of $200, $225, and $250;
- One Financial Transaction or standalone payment for $300; and
- A FinancialTransaction (bulk payment) for $675 that covers the three SERs filed without payment.

3. States may reject the transmission if the sum of the payment amounts in all of the addenda records in the Financial Transaction (bulk payment) does not equal the bulk payment.

DATA ELEMENTS: XML Schema for Financial Transaction

See XML Schema chapter 15 for XML prints of the current schema.

Financial Transaction has three items that may be included:

1. One of the following 3 items:
   a. StatePayment
   b. RefundDirect Deposit
   c. ACH Credit Info
2. DepositTo529Account
3. EstimatedPayments (follows same ACHEntityDetailType schema as State Payments)

1. State Payment – provides payment information for an ACH Debit payment (the state pulls payment from specified account).

a. Type of Account - Required. Choice of:
   1) Checking
   2) Savings
b. RoutingTransitNumber - Required.
c. BankAccountNumber - Required.
d. PaymentAmount - Required. In a bulk payment, this is the total payment amount.
e. IdentificationNumber - Optional.
f. AccountHolderName - Optional.
g. AccountHolderType - Optional.
h. RequestedPaymentDate - Optional. Payer may request the payment be pulled on or after a specific date, which may be a different date than when the returns are filed. The state is responsible for storing the payment information and delaying the processing until the requested payment date. There is also an element for states to record the payment received date as well as the actual settlement date. These are for states that store the XML in its native form. This can be completed when the payment actually settles.

i. AddendaRecord - Required. Contains account information for distributing payment. (see breakout for addenda record)

j. International Transaction Information - select one of the following 2 fields.
Check to see if state accepts these transactions before sending.
NotIATTransaction IsIATTransaction FullIAT

2. <u>RefundDirectDeposit</u> – The refund direct deposit option is not available at this time. Do not fill in this field. Any refund request should be made directly with the state.

3. <u>ACHCreditInfo</u> – Provides information on amounts the Payer will send to the state.

a. Payment Amount - Required. If this is a bulk payment, this is the total amount of the payments

b. Identification Number - Optional.

c. RequestedPaymentDate - Optional. (date payment will be sent)

d. AddendaRecord - Required. Contains account information for distributing payment.

e. International Transaction Information - complete one of the following 2 fields.
Check to see if state accepts these transactions before sending.
- NotIATTransaction
- IsIATTransaction
- FullIATT

<u>AddendaRecord</u> - Required for all StatePayment and ACHCreditInfo. The AddendaRecord identifies where to apply the payment.

This may include payment information for one account (stand-alone payment or payment with a SER) or multiple accounts (bulk payment). When attached to a SER, the payment is for a single account. When the financial transaction is for a bulk payment, the AddendaRecord will have multiple Record Types.

<u>All fields in the AddendaRecord are required. A State may choose to not use or save the data but should not reject a SER that contains the AddendaRecord data.</u>

a. SellerIdentification - ~~Required.~~ This is the license number that identifies the account payment is for. Use the SSTID if registered through SST or StateLicense number if not registered through SST.

b. TaxTypeCode

c. FTACode

d. StateTaxTypeCode

e. TaxPeriodEndDate

f. TXPAmount ~~– Required.~~
- SubAmountType
- SubAmount - This is the payment amount for that account. It does not include the allowance.

Chapter 8 SST Receipt

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The receipt is for all SST data transmissions.

The receipt is transmitted to the filer during the same communications session as the SST Simplified Return Transmission is made. The receipt provides a means for the state to communicate the original transmission was received, without accepting or rejecting the contents.

Data Elements
See XML Schema chapter 15 for XML prints of the schema.

1. **ReceiptHeader**
   Receipt Timestamp – Date and Time transmission is received

2. **Transmission Receipt**
   TransmissionID – From the Transmission Header
   Transmission Timestamp – timestamp of the original filing from the Transmission

Chapter 9 SSTP Acknowledgement

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The state should send an acknowledgement back to the transmitter within 48 hours of receipt of the transmission.

The state indicates acceptance or rejection at two levels:
- The entire CSP transmission. If the entire transmission is rejected, the document acknowledgement is not used.
- Each individual document – return, return with payment, or payment, or bulk payment.

At each level the state indicates the number of errors and utilizes an XML feature called Xpath to indicate exactly which data elements of the return are in error. This makes it easier for the seller or CSP to identify and correct the errors. The minimal error messages and numbers are in the current SST Schema set under Documents. If a state identifies a new error, the state needs to bring it to the Certification Committee to be added to the minimal error list so all states use the same codes.

The SST acknowledgement must contain either the Transmission ID or the Document ID from the transmission or document. See SER schema for contents of Transmission ID and Document ID.

The Transmission or Document ID allows the seller or CSP to identify the exact transmission or document being acknowledged. Seller identification is not enough; a transmission may include multiple documents for a single seller, such as an original and an amended return. The Document Identifier can also serve as a reference number for the seller or CSP when calling the state to ask about a SER.

DATA ELEMENTS

See XML Schema chapter 15 for XML prints of the schema.

SSTPAcknowledgement - The SSTPAcknowledgement contains an Acknowledgement Header, a Transmission Acknowledgement and if the transmission is accepted, it must contain a Document Acknowledgement for each document submitted in that transmission.

Transmission acceptance does not mean each document within the transmission is correct. It only indicates the transmission was correctly packaged.

Individual documents within the transmission may be accepted or rejected.

1. **Acknowledgement Header** – Required. A timestamp of when the acknowledgement is created

    a. AcknowledgementTimeStamp
    b. AcknowledgementCount

2. **<u>Transmission Acknowledgement</u>** – Required. The entire transmission may be accepted or rejected

   a. TransmissionID – must match the same element in the transmission.
   b. TransmissionTimestamp – must match the same element in the transmission.
   c. TransmissionStatus – Required. ‘A’ for Accepted; ‘R’ for Rejected. Indicates if the ENTIRE transmission is accepted or rejected.
   d. Errors – multiple errors may be reported.

3. **<u>Document Acknowledgement</u>** – Required if the transmission is accepted. Indicates the acceptance or rejection of each individual document within an accepted transmission. A Document Acknowledgement must be made for each document within an accepted transmission. The document acknowledgement is not used if the entire transmission is rejected.

   a. <u>DocumentId</u> – Required. Must match the ID of the original document.
   b. Requires one of the following:
      - SSTPID – Use if this is a SST licensee
      - StateID – Use if this is not a SST licensee
   c. <u>DocumentType</u> – Required. Must match the original document being acknowledged. Types allowed SEROnly, SERWithPayment, PaymentOnly; or PrePayment.
   d. <u>DocumentStatus</u> - Required. ‘A’ for accepted; ‘R’ for rejected
   e. <u>PaymentIndicator</u> – Required. Indicates if the payment was received and if it was accepted.
      A – electronic payment was included and accepted.
      R – electronic payment was included and rejected
      N – no electronic payment was included or a payment is not applicable for that document type.
   f. <u>Errors</u> – Use if there are Errors. Contains each error identified in the document.

Errors

a. ErrorCount – multiple Errors may be reported.
b. ErrorID – See SST Error document.
c. XPath – Optional. The XPath expression indicates the full path from the root to the error element or attribute. Not all software vendors have the XPath tools for this purpose, this identifies where the error was: within the transmission, within the document, within the filing header, or the payment. This feature allows for easier troubleshooting and diagnostics.
d. FieldIdentifier – Optional. Identification of field in error other than XPath
e. ErrorMessage – Required – See SST Error document.
f. AdditionalErrorMessage - Optional
g. Severity – Optional. Severity of error. Some errors are fatal and will not be accepted in any circumstance. Other errors may be warnings that do not impact acceptance of the document.
h. DataValue – Optional. The data that is in error

Error Codes:

States must use the Standard error codes and messages packaged with the schema set.

All states must utilize the same error codes to provide consistency for CSPs and other transmitters for all participating states. If a state identifies a new error, the state needs to bring it to the Certification Committee to be added to the minimal error list so all states use the same codes.

State specific error messages must have error codes of the form NNnnnn where NN is the state FIPS code and nnnn is the error number starting with 1001.

It is recommended states use more detailed error messages in the additional error message field, (i.e. 'mandatory field not present, does not match enumerated list, not number and should be').

Error codes and error schema is found in the current SST Schema on the TIGERS website.

Chapter 10 Communications Technology: SER

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Overview

The Simplified Electronic Return Transmission (SER) is transmitted directly to each state. Each state must implement technology to receive a SER from CSPs and sellers.

Host a web service to receive the SER.
The state must host a web service to receive the SERs. The transmitter would utilize a web service client, or thin client web application, to communicate with the state's web service and transmit the data. The state should make its web service available on or close to a 24/7 basis. SOAP messages received by the state's web service are parsed and transferred to the state's processing systems. Standard web services are discussed in more detail in chapter 11. As a condition of its membership, all states must have a web service in place no later than January 1, 2019.

(Note: The SSTGB hosts a secure website (Sharefile) to which the CSP or seller may upload the SOAP message file in the event a state's web service is unavailable. The state is responsible for downloading the files from the secure website to transfer the data to its processing systems. Once the state's web service becomes available, it must notify Testing Central.)

Transmission Packaging

The transmission is packaged using the SOAP protocol. A SOAP transmission contains a SOAP Header, a SOAP Body, and may optionally include one or more Attachments. The SOAP Header contains security and authentication data, including the SSTP-ID or CSP-ID and a password used for the SSTRS or assigned by each state. The password is optional as determined by each state. In the Streamlined Sales Tax transmission, which contains only XML data and which is also fairly small in size, the transmission payload, including Transmission Header, Transmission Manifest, and all Documents, is bundled into a single XML document contained in the SOAP Body. This makes for an efficient transmission for a simple payload.

XML Processing

To take full advantage of the edits built into the XML schemas for SST, each state must implement a validating parser. Several good commercial products are available for this purpose. The parser will detect formatting errors such as missing mandatory data elements and non-numeric data in numeric data elements. These errors will be caught at point of entry, so that only clean data is passed to back-end processing systems.

The state must also implement the necessary application to take any parser errors, plus any business rule errors detected, and create the appropriate Acknowledgement to each Simplified Return Transmission using the Acknowledgement XML schema discussed in Chapter 9.

Chapter 11 Web Service Implementation

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Overview

This chapter is an implementation guide to implement a web service for receiving a Simplified Return Transmission. CSPs or sellers must use or implement a web service client to communicate with the state's web service and transmit the data.

By January 1, 2019 each state must adopt web services as the standardized transmission process. (SSUTA Section 318)

The **efile** web service provides four operations:

Ping – For testing the connection and authentication. This can also be used by a monitoring service to verify the system is operational.

Send – CSP or Seller Sends a <SSTSimplifiedReturnTransmission> document. A <SSTReceipt> is returned indicating the transmission was received.

The state processes the document and prepares the SSTPAcknowledgement indicating if documents were accepted or rejected. The <SSTPAcknowledgement> document is queued for download by the Ack operation.

Ack – CSP or Seller requests the next <SSTPAcknowledgement> document. This can be called until there are no more documents available.

LastAck – CSP or Seller requests the previous <SSTPAcknowledgement> document. This is used in the case of an error receiving the previous document using the Ack operation.

The following is an example of the operation flow:

CSP or Seller		State
Sends SSTSimplifiedReturn Transmission	**Send** → ←	Receives transmission Returns the SSTReceipt
		State processes transmission and prepares SSTPAcknowledgement – accepting or rejecting documents. Acknowledgement is queued for download.
Requests SSTPAcknowlegement	**Ack** → ←	Sends SSTPAcknowledgement
Can request previous SSTPAcknowledgement	**LastAck** → ←	Sends previous SSTPAcknowledgement

The efile web service was designed for easy implementation by states, CSPs, and sellers. It adheres to all web service interoperability (WS-I) standards. Sample implementations of both the service and client are available for the Microsoft .NET and Java platforms. The EFileService.wsdl (Web Services Description Language) document can be used alone to implement a service or client on any platform that supports SOAP 1.1 web services.

Because of the complexity of the schemas and the batch processing nature of the service, the SST schemas are not directly linked (imported) into the WSDL. Keeping the WSDL and schemas separate allows for future changes to the schemas without affecting the web service interface. The Send operation accepts an arbitrary (any) XML element and the Ack and LastAck operations return any XML Element. It is up to the client and service to perform schema validation. States are expected to use the current transmission Version value to detect and handle current and future versions of the schemas.

For copies or links to what states are using for EFileService.wsdl contact Testing Central.

Namespaces

The EFile service WSDL uses the following namespace to identify its custom elements: http://streamlinedsalestax.org/efile. Note that namespace names are case sensitive. The efile namespace is all lowercase.

The SST schemas do not define a namespace. Therefore, a xmlns="" is required on all SST schema elements. The default namespace (xmlns) just needs to be set on the root element (in this case <SSTSimplifiedReturnTransmission>)

For example:

```
<Send xmlns="http://streamlinedsalestax.org/efile">
  <Transmission>
    <SSTPTransmission xmlns="">...</SSTPTransmission>
  </Transmission>
</Send>
```

Security

Security is a critical implementation issue and there are many available options. It is necessary to balance the security needs with the capabilities of the various implementation platforms, tools and personnel. The EFile service will use a combination of SSL (HTTPS protocol) and a Username/Password security token for security and authentication. This is equivalent to the security used for the web site based, document upload and download implementation alternative.

SST will use a standard WS-Security token for authentication. This is designed to provide interoperability with existing and future software and hardware security systems. A valid WS-Security <Security> SOAP header element must be included in all requests. For convenience, this is explicitly defined in the WSDL.

SST will use plain text passwords since the entire transmission is being encrypted using SSL. Therefore, it is required to specify the <Password> Type attribute as: http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-username-token-profile-1.0#PasswordText . An example is shown below.

```
<soap:Header>
    <Security soap:mustUnderstand="0" xmlns="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-secext-1.0.xsd">
      <UsernameToken>
        <Username>CSP0000001</Username>
        <Password Type="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-username-token-profile-1.0#PasswordText">password</Password> <Password Type="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-username-token-profile-1.0#PasswordText">password</Password>

      </UsernameToken>
    </Security>
</soap:Header>
```

The <Username> should contain the transmitter id. The <Password> should contain the transmitter (seller or CSP) password as registered with the SST registration service.

See also: http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-username-token-profile-1.0.pdf

SOAP Details

The SST EFile web service uses the document/literal wrapped SOAP binding style. This means that each operation contains a single “wrapped” parameter element that can be validated by a schema. This style is WS-I compliant and supported by the major web service platforms. It is well suited to the document transmission/acknowledgement nature of this web service and is actually necessary for this particular interface to make it WS-I compliant. See the Send operation details below for an example. Refer to http://www.ibm.com/developerworks/library/ws-whichwsdl/ for more details on this topic.

Operations

Ping

The client may use the Ping operation to verify that the web service is operational. However, it should not be called needlessly by clients. States can also use Ping along with a monitoring service to monitor system availability. It returns an information text string indicating the name and version of the web service. The content of this is not currently standardized. It should not be used for determination of interface or schema versions.

The Message parameter is for states’ private use. It is useful within the context of a monitoring service to perform a system status check based on a private parameter value.

Note: It is recommended, but not required for states to implement authentication for the Ping method. However, clients should always include the <Security> token.

Soap Request

```
POST /efile/EFileService.asmx HTTP/1.1
Host: localhost
Content-Type: text/xml; charset=utf-8
Content-Length: length
SOAPAction: "http://streamlinedsalestax.org/efile/Ping"

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Header>
    <Security xmlns="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-secext-1.0.xsd">
      <UsernameToken>
        <Username>string</Username>
        <Password Type="string">string</Password> <Password Type="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-username-token-profile-1.0#PasswordText">password</Password>

      </UsernameToken>
    </Security>
  </soap:Header>
  <soap:Body>
    <Ping xmlns="http://streamlinedsalestax.org/efile">
      <Message>string</Message>
    </Ping>
  </soap:Body>
</soap:Envelope>
```

Soap Response

```
HTTP/1.1 200 OK
Content-Type: text/xml; charset=utf-8
Content-Length: length

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Body>
    <PingResponse xmlns="http://streamlinedsalestax.org/efile">
      <PingResult>string</PingResult>
    </PingResponse>
  </soap:Body>
</soap:Envelope>
```

Send

The Send operation is used to transmit a Simplified Return Transmission or other transmission to the state. The transmitter should be authenticated and the document and the document should be queued for processing. Document content errors should be handled in the acknowledgement. An <SSTReceipt> is returned in the response.

Soap Request - SEND

```
POST /efile/EFileService.asmx HTTP/1.1
```

```
Host: localhost
Content-Type: text/xml; charset=utf-8
Content-Length: length
SOAPAction: "http://streamlinedsalestax.org/efile/Send"

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Header>
    <Security xmlns="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-
secext-1.0.xsd">
      <UsernameToken>
        <Username>string</Username>
        <Password Type="string">string</Password> <Password Type="http://docs.oasis-
open.org/wss/2004/01/oasis-200401-wss-username-token-profile-
1.0#PasswordText">password</Password>

      </UsernameToken>
    </Security>
  </soap:Header>
  <soap:Body>
    <Send xmlns="http://streamlinedsalestax.org/efile">
      <Transmission>
          <SSTSimplifiedReturnTransmission transmissionVersion="SST2015V01" xmlns="">
        <SSTPTransmission xmlns="">...</SSTPTransmission>
      </Transmission>
    </Send>
  </soap:Body>
</soap:Envelope>
```

Soap Response

```
HTTP/1.1 200 OK
Content-Type: text/xml; charset=utf-8
Content-Length: length

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Body>
    <SendResponse xmlns="http://streamlinedsalestax.org/efile">
      <Receipt>
        <SSTReceipt xmlns="">...</SSTReceipt>
      </Receipt>
    </SendResponse>
  </soap:Body>
</soap:Envelope>
```

Note: An <SSTReceipt> element is in the SST schemas.

Ack

The Ack operation requests the next <SSTPAcknowledgement>, if available. States are expected to implement a queuing mechanism for acknowledgements. Ack will be called repetitively to retrieve all available acknowledgements. When no acknowledgements are available, nothing is returned. Once a document has been retrieved, the service should place it in a “LastAck” holding area for the LastAck operation. If there is an existing “LastAck” document, it can be discarded.

Required: States have up to 72 hours to process a transmission, however states have agreed to **send the acknowledgement within 48 hours**. It is recommended that clients do not check for acknowledgements more than four times a day in order to avoid congestion at state websites.

A TransmitterId has been added to enable state implementations that are unable to access the SOAP security header. Clients are still required to provide the security header, but should also provide the TransmitterId parameter.

Note: Acknowledgements may not be returned in the same order as the original transmission. The acknowledgement should be matched with the corresponding transmission using the <TransmissionId>.

Soap Request - Acknowledgements

```
POST /efile/EFileService.asmx HTTP/1.1
Host: localhost
Content-Type: text/xml; charset=utf-8
Content-Length: length
SOAPAction: "http://streamlinedsalestax.org/efile/Ack"

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Header>
    <Security xmlns="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-
secext-1.0.xsd">
      <UsernameToken>
        <Username>string</Username>
        <Password Type="string">string</Password> <Password Type="http://docs.oasis-
open.org/wss/2004/01/oasis-200401-wss-username-token-profile-
1.0#PasswordText">password</Password>

      </UsernameToken>
    </Security>
  </soap:Header>
  <soap:Body>
    <Ack xmlns="http://streamlinedsalestax.org/efile">
      <TransmitterId>string</TransmitterId>
    </Ack>
  </soap:Body>
</soap:Envelope>
```

Soap Response

```
HTTP/1.1 200 OK
Content-Type: text/xml; charset=utf-8
Content-Length: length

<?xml version="1.0" encoding="utf-8"?>
```

```xml
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Body>
    <AckResponse xmlns="http://streamlinedsalestax.org/efile">
      <Acknowledgement>
        <SSTPAcknowledgement xmlns="">...</SSTPAcknowledgement>
      </Acknowledgement>
    </AckResponse>
  </soap:Body>
</soap:Envelope>
```

LastAck

The LastAck operation requests the previous <SSTPAcknowledgement> document, if available. This is a recovery mechanism in case the previous Ack download failed. If no documents are available, nothing is returned. The “LastAck” document remains in the holding area until the next Ack operation pushes it out.

A TransmitterId has been added to enable state implementations that are unable to access the SOAP security header. Clients are still required to provide the security header, but should also provide the TransmitterId parameter.

Soap Request – Last Ack

```
POST /efile/EFileService.asmx HTTP/1.1
Host: localhost
Content-Type: text/xml; charset=utf-8
Content-Length: length
SOAPAction: "http://streamlinedsalestax.org/efile/LastAck"
```

```xml
<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Header>
    <Security xmlns="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-
secext-1.0.xsd">
      <UsernameToken>
        <Username>string</Username>
        <Password Type="string">string</Password> <Password Type="http://docs.oasis-
open.org/wss/2004/01/oasis-200401-wss-username-token-profile-
1.0#PasswordText">password</Password>

      </UsernameToken>
    </Security>
  </soap:Header>
  <soap:Body>
    < LastAck xmlns="http://streamlinedsalestax.org/efile">
      <TransmitterId>string</TransmitterId>
    </LastAck>
  </soap:Body>
</soap:Envelope>
```

Soap Response

```
HTTP/1.1 200 OK
Content-Type: text/xml; charset=utf-8
Content-Length: length

<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/">
  <soap:Body>
    <LastAckResponse xmlns="http://streamlinedsalestax.org/efile">
      <Acknowledgement>
        <SSTPAcknowledgement xmlns="">...</SSTPAcknowledgement>
      </Acknowledgement>
    </LastAckResponse>
  </soap:Body>
</soap:Envelope>
```

Error Handling

In general, document errors should be reported using the <SSTPAcknowledgement> <Errors> collections from the Ack or LastAck operations. SOAP faults should only be generated for errors that cannot be handled otherwise. One example is an authentication fault.

```
<?xml version="1.0" encoding="utf-8"?>
<soap:Envelope xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/"
xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
xmlns:xsd="http://www.w3.org/2001/XMLSchema">
  <soap:Body>
    <soap:Fault>
      <faultcode>soap:Client</faultcode>
      <faultstring>Unable to validate the security token.</faultstring>
      <faultactor>EFileService</faultactor>
      <detail>
        <string>The Username / Password is not valid.</string>
      </detail>
    </soap:Fault>
  </soap:Body>
</soap:Envelope>
```

Note: <detail> content should be placed within a <string> child element (as shown above) for interoperability with some SOAP clients that expect an element.

Other conditions that warrant a SOAP fault include:

- Unknown SOAP operation
- Missing or invalid Security header
- Unknown TransmitterId
- Send document is not well formed or significantly violates the schema such that a receipt cannot be generated. For example, no TransmissionId

Chapter 12 Registration

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SSUTA Section 303

The Streamlined Sales Tax Registration System (SSTRS) provides a single place for a seller to register for all SST full member states and the associate or contingent member states they choose. (SSUTA Section 303) (NonStreamlined states may participate in SSTRS in the future, pending federal legislation.)

SST contracts with Azavar Technologies to develop and host the SSTRS.

SST Member states must participate in the SSTRS to be in compliance with the SSUTA.

Requirements under the SSUTA:
- States cannot impose a registration fee or other charge for a seller to register in a state in which the seller has no legal requirement to register.
- States cannot require a written signature.
- States must allow an agent to register a seller.

Who may use the SSTRS?
Any seller may use the SSTRS to register to collect and pay sales and use tax in all SST full member states and those associate or contingent member states they choose. (SSUTA Section 303)

Who must use the SSTRS?
- Any seller that chooses to contract with a CSP (Technology Model 1 as defined in the SSUTA Section 205). A Model 1 seller that is a "volunteer" for purposes of CSP Compensation (Allowance indicator Y) will receive relief of liability as provided by the SSUTA and CSP Contracts. A seller that is not a "volunteer" (allowance indicator N) may use a CSP and will receive relief of liability for use of tax matrix, rates and boundaries, but is not a Model 1 and may be contacted or audited directly by the states.
- Any seller that chooses to contract to use a CAS (Technology Model 2 as defined in the SSUTA Section 206). A Model 2 seller will receive relief of liability as provided by the SSUTA and the CAS Provider Contracts. A Model 2 seller may also receive some compensation.
- Any seller approved as a Technology Model 3 as defined in the SSUTA Section 207.
- Any seller who wants to take advantage of amnesty as described in the SSUTA, Section 402.

Sellers registered through SSTRS must use the SSTRS to:
- Update registration information (cannot change business (legal) name or FEIN/SSN)
- Indicate if they anticipate using a CSP or that they will stop using a CSP.

No sales in a state? Any seller registering through the SSTRS, except a seller a CSP registers as a Model 1 seller, may indicate that they do not anticipate making sales in a state if they had no sales in that state during the last 12 months. A seller that indicates they do not anticipate sales in a state is not required to file returns in that state until they do have sales in that state.

If a seller contracts with a CSP, the CSP will be required to file monthly returns for each state, even if the seller had indicated no sales.

Benefits

- Sellers are registered in all SST full member states and any associate or contingent member states they choose, by completing one online form.
- Sellers can update registration data for all member states through one site.
- Sellers are issued one unique identifying number that is used by all member states. The identification number is 9 alpha/numeric characters.

Out-of-Business

When a seller is closing their business they must cancel their SST registration through SSTRS. Cancellation applies to all states. Cancellation does not relieve seller of its liability for remitting taxes collected.

Ending SST Registration

A seller may end their registration through SSTRS at any time.

- A seller may end its registration in any or all **associate or contingent** member states, which will end registration only in the states they select (Note: Sellers cannot do this for **full** member states); or

- The seller may end registration in **ALL states**.

Sellers choosing to end their SST registration in all states that still need a license in specific states may indicate such on the SSTRS. The state will be notified and may notify the seller of their licensing requirements, however it is ultimately the seller's responsibility to ensure they are properly registered in the appropriate state(s). The state may require the seller complete a state application or they may continue the license with the SSTRS registration information issuing the seller a state ID.

The SSTID is not valid once the SST registration is ended.

Technology Model

> Technology Model is an internally (state) used term. The technology model is not shown on the registration system. Sellers may indicate if they anticipate using a CSP or CAS.

- **New Sellers**

Sellers that register through the SSTRS are assigned Technology Model 4 (None) (no CSP or CAS). The seller will not see the Technology Model information. When the state receives the registration information, this will show as "Technology Model "NONE" on the RegNew. The allowance indicator defaults to "U" (Undetermined).

When completing their SSTRS registration, the seller may indicate they anticipate using a CSP or CAS and may select the CSP or CAS Provider they anticipate using. This information is sent to the CSP. *States do not receive this information.* Once under contract with a CSP or CAS Provider, the CSP or CAS Provider will update the Technology Model, Allowance Indicator, and FirstSalesDate showing when they will begin filing returns for that seller. State's receive this information through two RegCous, the first showing the Technology Model change from "None" to "1" (or "2" for a CAS), the second showing the allowance indicator and FirstSalesDate change.

The CSP or CAS Provider also enters the CSPFirstFilingPeriod, which is not sent to the states, but is available through the state Extract.

The seller is responsible for filing returns until such time as the CSP or CAS Provider is under contract with that seller. Volunteer sellers, that are not otherwise required to be licensed, have 60 days from date of registration before they are required to file and pay.

CSPs may register sellers by sending the registration data to the SSTRS using a BulkRegNew. Sellers that register through a CSP will be a Model 1. The CSP will be under contract with those sellers and will file SERs based on the date the CSP indicates. The RegNew will show Technology ModelOne, the CSP, and the First Sales date which will indicate the date the CSP will start calculating and reporting sales and use tax for the seller.

- **Sellers Already Registered Through SSTRS**

A seller registered through the SSTRS that decides to start using a CSP must update their existing SSTRS registration to select the CSP they anticipate using before a CSP can change the seller's Technology Model. This information is sent to the CSP. *States do not receive this information.*

Once under contract with that seller, the CSP will update the Technology Model, Allowance Indicator, First Sales Date, and CSP First Filing Period showing when they will begin calculating and filing sales and use tax for that seller. The states receive these updates through a RegCou (Except CSP First Filing Period).

- **Stop Using a CSP**

A seller may choose to stop using a CSP by selecting the last date of sales their CSP will process transactions for them. The states will receive a RegCou with the CSPEndDate. The Technology Model will be changed to a "None" the day after the CSPEndDate. The states will receive a second RegCou with the Technology Model change when it is made. This information will also be sent to the CSP. The CSP will update the registration with the CSP Last Filing Period and the states will also receive that information. (Note: A CSP cannot update an account using a BulkRegCou after the CSPEndDate. Sellers that wish to stop using a CSP should be referred to the CSP to end their contract.)

Registration vs State Information

With the exception of a state putting a seller into a "nonfiling" status or "not anticipating sales in a state," once a seller is registered through the SSTRS, states should refer the seller to the SSTRS to update their information.

There is no process to keep information in sync between the states and SSTRS. There is also no requirement for a seller to make all updates through the SSTRS once registered. However, if a SST registered seller updates its registration information directly with a state, that information will not be the same as in the SST system.

In addition, when a RegCou is sent to the states, it will contain **ALL** current data from the SSTRS for that account. The state receiving the RegCou may either completely replace all existing data for that seller in their system or the state may choose to check for changed data and only update the changed fields. A RegCou will only be sent to the states when a change was made to an account.

Important Note: If a state changes information in their system that was not updated through the SSTRS, that change will be wiped out if a RegCou comes through at a later date and the state overwrites all of the seller's information in their system because the RegCou will contain ALL data for that seller in the SSTRS – not just what was changed.

Information the state obtains beyond the SST registration data is not gathered and will not be changed by the SST registration system or a RegCou.

Exception – Seller's Filing Status: The only time a state should make a change directly to the account of a seller registered through the SSTRS on its own system is ~~if~~ when the state ~~is going~~changes ~~to change~~ the seller's filing status from filing returns to not required to file returns. That change must be done directly with the state once a seller has registered through the SSTRS.

At the time the seller originally registers through the SSTRS, the seller may indicate they do not have sales in a state. This information is used to determine that **state's Registration Indicator** (i.e., to determine whether or not that state should expect the seller to file returns with them). Except Model 1 and Model 2 sellers, sellers that indicate they have no sales in the state are not required to file returns for that state. The Registration Indicator cannot be changed through the SSTRS after the initial registration is submitted.

If a seller wants to change from making sales in a state to not making sales in the state (or vice-versa), the seller must contact that state directly to update their filing requirements. The state should update the seller's account to filing or nonfiling status per that state's procedures.

All RegCous include the Registration Indicator from the seller's original registration. If a state uses the Registration Indicator to determine the filing requirements and updates this indicator in their system after the registration, they ~~may want to~~should program their system to ignore the indicator when they receive a RegCou.

A RegCou does not include the following fields UNTIL a change is made in that field: Account Close Date, State Account Indicator, Last Sale Date, CSPLastFilingPd, CSP End Date.

Azavar will store the historical data when changes are made to a record.

Registration Schemas

A seller may register directly with SSTRS or may register through a CSP that submits registrations to the SSTRS using a BulkRegistration.

States use the web service to pull registration data using the SSTRegistrationTransmission Schema. (See Chapters 11 and 13) This includes new registrations (RegNew) and registration changes (RegCou), such as contact updates, out-of-business, or unvolunteer (end registration).

The SSTRegistrationTransmission contains the TransmissionHeader and the RegistrationDocument.

The RegistrationDocument contains the SSTRegistrationHeader and Registrationinformation, which is the RegNew and RegCou.

The SSTRegistrationHeader is the same as the SSTFilingHeader, except it does not contain the tax period, preparer option, and contains only the SSTPID, not a State ID.

DATA ELEMENTS: XML Schema for SSTRegistrationTransmission

See "Schema" chapter for XML prints of the schema.

RegistrationDocument (can be multiple)

1. DocumentId
2. Document Type

3. SSTRegistrationHeader
   - A. ElectronicPostmark
   - B. DateReceived (State Use Only)
   - C. FilingType
   - D. SSTPID
   - E. TIN
     1. Type indicator
     2. FEIN or Social Security Number or Other (a foreign business that does not have a FEIN or SSN will be assigned an identification number after the registration is submitted, which will be the SSTID#, replacing the "S" with a "1")
   - F. FIPSCODE

4. RegistrationInformation
   - A. StreamlinedRegistrationNew
   - B. StreamlinedRegistrationCOU (Detailed below)

StreamlinedRegistrationNew (RegNew) Schema Detail

All fields are required in a RegNew unless marked as optional.

1. ActionCode - Always N for New registration

2. RegistrationEntity - Type of Entity – 2-character code
   - CO – Corporation
   - GO – Government
   - LL - Limited Liability
   - SP – Sole proprietor
   - TR – Trusts
   - OT – Other (sellers with SSNs in registration system prior to 2016 where coded as "Other" when transferred to new system)

3. BusinessName – Seller's legal business name (not the dba).

   If TIN indicator is Social Security Number, the Legal Name will be displayed as the Individual Name.

   - A. BusinessName – one field is used for BusinessName if FEIN or Other is selected for TIN (Typically used for Corporation, LLC, Government, Trusts, Other business entity types)

B. Individual Name – If SSN is selected for TIN type, will display fields for FirstName, MiddleInitial, LastName, NameSuffix. (MiddleInitial and NameSuffix is optional.) First and Last Names are required. (NameSuffix is not available for Seller use.)

4. DBAName – Optional - Doing Business as Name, if different from legal name.

5. NAICSCode – 6-digit field. (There is a lookup table attached to registration, however there are no checks on the NAICS code to validate.)

6. PhysicalAddress - Business Location Address
   - Street address only, PO Box not allowed.
   - Option for US or Foreign Address.
   - Foreign Corporations that have US locations should use their US address.
   - US addresses are standardized; however, seller has option to override if they choose.

   A. USAddress:
      1. AddressLine1Txt
      2. AddressLine2Txt
      3. CityNm
      4. StateAbbreviationCD
      5. ZipCd
      6. InCareofName - not used– not available for seller to enter

   B. ForeignAddress:
      1. AddressLine1Txt
      2. AddressLine2Txt
      3. CityNm
      4. ProvinceorStateNm
      5. CountryCd
      6. ForeignPostalCd
      7. InCareOfNm – not used – not available for seller to enter.

7. Mailing address - Required if different than the physical address.
   - Option for US or Foreign Address.
   - This is where states will mail correspondence.
   - This may be a PO Box.
   - If a CSP under contract and the Seller / CSP agree correspondence should go to the CSP, the CSP should update the mail address to show the CSP address.

8. SellerPhone - Telephone Number for the seller.

9. Seller Phone Ext - Optional
   - Foreign phone numbers will use the phone number and extension field to accommodate longer numbers. If foreign phone number is more than 10 digits, use the 4-digit extension for remaining digits.

10. SSTPContact – This may be the seller or the CSP contact.
    A. ContactName – First, MiddleInitial, LastName, NameSuffix (MiddleInitial and NameSuffix is optional)
    B. Contactphone (plus optional extension)
    C. Contact Email

11. StateIncorporated - State of incorporation or organization. For sole proprietors this is the state they are from.

12. TechnologyModel –
    - ModelOne – CSPCode: has a CSP on contract
    - ModelTwo – CASCode: has CAS Provider on contract
    - ModelThree: None certified at this time
    - Model 4 (None): no CSP or CAS Provider

    - Sellers that register directly through SSTRS are set as a Model 4 (None). The seller may indicate they anticipate using a CSP or CAS Provider and the CSP or CAS Provider they choose. The CSP or CAS Provider is sent an email with this information. State's will not receive anticipated CSP or CAS Provider selections. Once under contract, the CSP or CAS Provider will update the Technology Model information. The Technology Model update is sent to the States through a RegCou.

    - CSPs that register sellers will include the Technology Model information in the new registration, these registrations will be Model Ones.

13. RegistrationIndicator
    - R - Registering to file and pay in this state (not currently registered directly with the state.)
    - X - Registering in this state, but will not file or pay at this time (not currently registered directly with the state.)
    - A - Already registered directly with this state to file and pay
    - Z - Already registered directly with this state, but will not file or pay at this time.

    Registrations by a CSP that are under contract will only have an "R" or "A" indicator.

    RegistrationIndicator will not change after the initial registration. If a seller registers as having no sales in a state, then begins having sales, the seller must contact that state directly and have the state update their individual system using the state's own procedures. The RegistrationIndicator is included in all RegCous. State's should ignore the RegistrationIndicator in the RegCou as it will override any changes the state may have made to the RegistrationIndicator in their system to allow for a change in reporting to nonreporting.

    Registration for SST Full Member states:

    Seller will check fields for each state to indicate if:
    - they are currently registered in that state
    - they anticipate no sales in that state

    These fields determine the Registration Indicator for that state.
    If no fields are checked, the Registration Indictor defaults to "R" (seller not currently registered and will have sales).

    Registration for SST Associate or Contingent Member states:

    Seller's using the SSTRS are registered in ALL SST Full member states and may or may not choose to register in Associate or Contingent member states.

Seller must select the Associate or Contingent member state they wish to register in and then indicate:

- If they are currently registered to file and pay tax in that state;
- The date of first sales after this registration for each state the seller is registering in; and
- If they anticipate making sales in that state.

Only the Associate/Contingent member state(s) the seller registered for will receive this information.

14. RemoteSellerID (will only use if Federal Legislation passes. Will indicate if seller is registered due to remote seller definition in the Federal legislation and is not otherwise required to be licensed.) All are defaulted to "N".

15. Remote Effective Date (will only use if RemoteSellerID is used).

16. SSTPAllowanceIndicator
    - Indicates if seller is a volunteer (Y) or non-volunteer (N) for the state.
    - CSP will set the Allowance Indicator by submitting a bulk registration. The CSP contract defines a "volunteer seller" for purposes of the Streamlined compensation but that does not mean the seller does or does not have nexus.
        - Y – Seller meets definition of a "volunteer seller" – CSP will retain allowance.
        - N – Seller does not meet definition of a "volunteer seller" – CSP will not retain allowance.
            - → According to the CSP contract, the CSP will file and send remittances for these companies, however, the CSP is not compensated under the CSP contract for these sellers in these states. These sellers will stay as a Model One in the system, but are treated as a Model 4 (none). States may contact and audit these sellers directly. There are no restrictions as there are with Model One volunteers.
        - U – Undetermined. Model 4 (None) will show allowance indicator U.
        - The Allowance Indicator is not displayed on the seller's registration screen.

17. NewPass - Seller's password. Some states use this for the electronic systems.
    - Seller may change at any time.
    - Seller uses same password in all states.
    - Must be kept as confidential data by each state's system. The password is inserted in the SOAP header for a SER or payment for the state to use to authenticate the transmission.

18. FirstSalesDate
    - For Full Member states, this is the first date after registering through the SSTRS that the seller will have a sale in any of the full member states. This date is the same for all full member states.

    - For Associate and Contingent states, this is the first date after registering through the SSTRS that the seller will have sales in that state.

    - For ModelOne sellers, the FirstSalesDate is the date the CSP will begin calculating tax and filing SERs for the seller. The CSP will enter this date when they update the account to a ModelOne. The date the CSP enters may differ from the date the seller entered. Sellers are responsible for any taxes due prior to the CSP contract start date.

The CSP also enters a FirstFilingPeriod, showing the first month/year the CSP will file a SER for that seller. FirstFilingPeriod is not sent to states but is available through the SSTRS extract.

19. RegistrationDate – Date seller or CSP submitted registration in the SSTRS.

StreamlinedRegistrationChange (RegCou) Schema Detail

States will only receive a RegCou when a change is made on the account. The RegCou will contain **ALL** account information. States may automatically update all fields or they may choose to determine the change and only update those fields.

Seller cannot submit a change or update their account unless something was actually changed.

Seller may not change:

- TIN
- Entity Type
- Business Name (Legal Name)

Changes in TIN or Business Legal Name (owner) require a new SSTID.

SST administration may change TIN or Business Legal Name if:

1. It was a data entry error.
2. The legal name changed, but not the TIN.

The RegCou has ALL Fields in a RegNew (except Registration Date) plus the following fields.

1. ActionCode
    - C – Change was submitted.
    - O – Out-of-Business, Cancelling all registrations.
    - U – Unregistering – Ending registration through SSTRS.
    - D – Record was deleted by SST administrator- This administrative function is used when duplicate registrations are received, or when a business registers with SST in error.

2. LastSaleDate – Last date of sales when unregistering from an ***associate or contingent*** state (cancel date for that state).

3. StateAcctInd – When ending registration in all states, seller may indicate if they still need a license in certain states. A state receiving that indicator may require seller to complete a new application and issue a new license or they may continue with the current registration using a State issued ID. States are responsible for informing the seller of any license change or filing requirement changes. The seller is responsible for ensuring they are properly registered in each state.

4. RemoteEndDate – Will only be used if Federal legislation passes. Indicates the date seller changes from a Remote Seller per Federal legislation to having nexus in the state and is required to collect taxes regardless of the Federal legislation.

5. CSPEndDate – Last date CSP will perform tax calculations for seller.

6. CSPLastFilingPD – Last return CSP will file for seller.

7. AcctCloseDate – Date seller canceled or ended SST registration in all states.

8. FirstSalesDate – Date seller will have first sale in a state when:
   - Date they will have sales after they register for associate/contingent state.
   - Date they will have sales in a full member state after their initial registration. (This date will change when/if they contract with a CSP).
   - Date a CSP will start calculating tax for the seller when account is changed to a ModelOne.

9. EffectiveDate – Date change was submitted.
   - For changes that did not require a specific date entry, such as Business information (name, address, contact information), the date submitted is the effective date of the change).

SSTRS

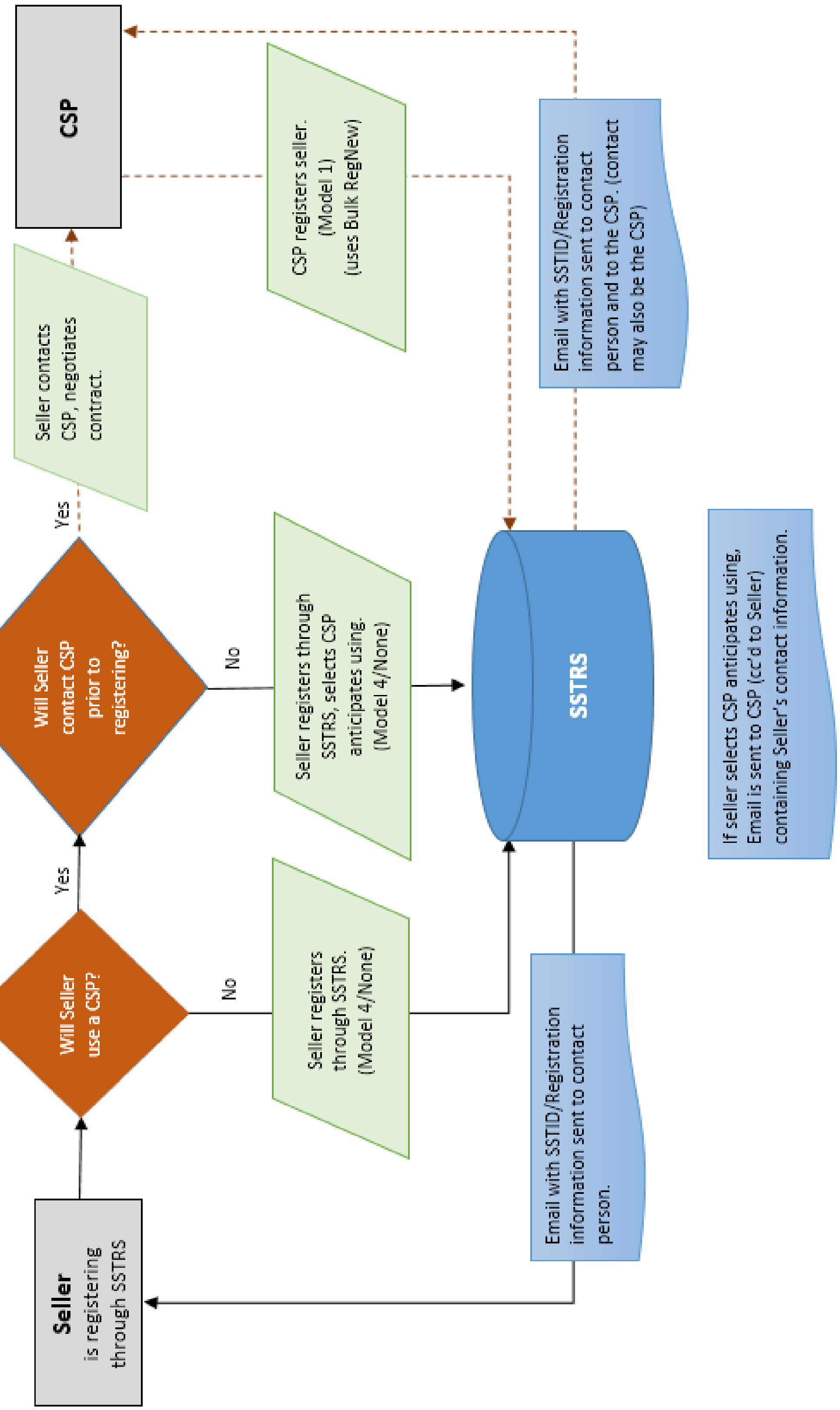
Development (Staging) Site https://test.sstregister.org/

The Staging (TEST or development) site for states allows a state to test transmissions and acknowledgements. States may test at any time. This site allows states to submit fictitious registrations and to test to transmissions and acknowledgements.

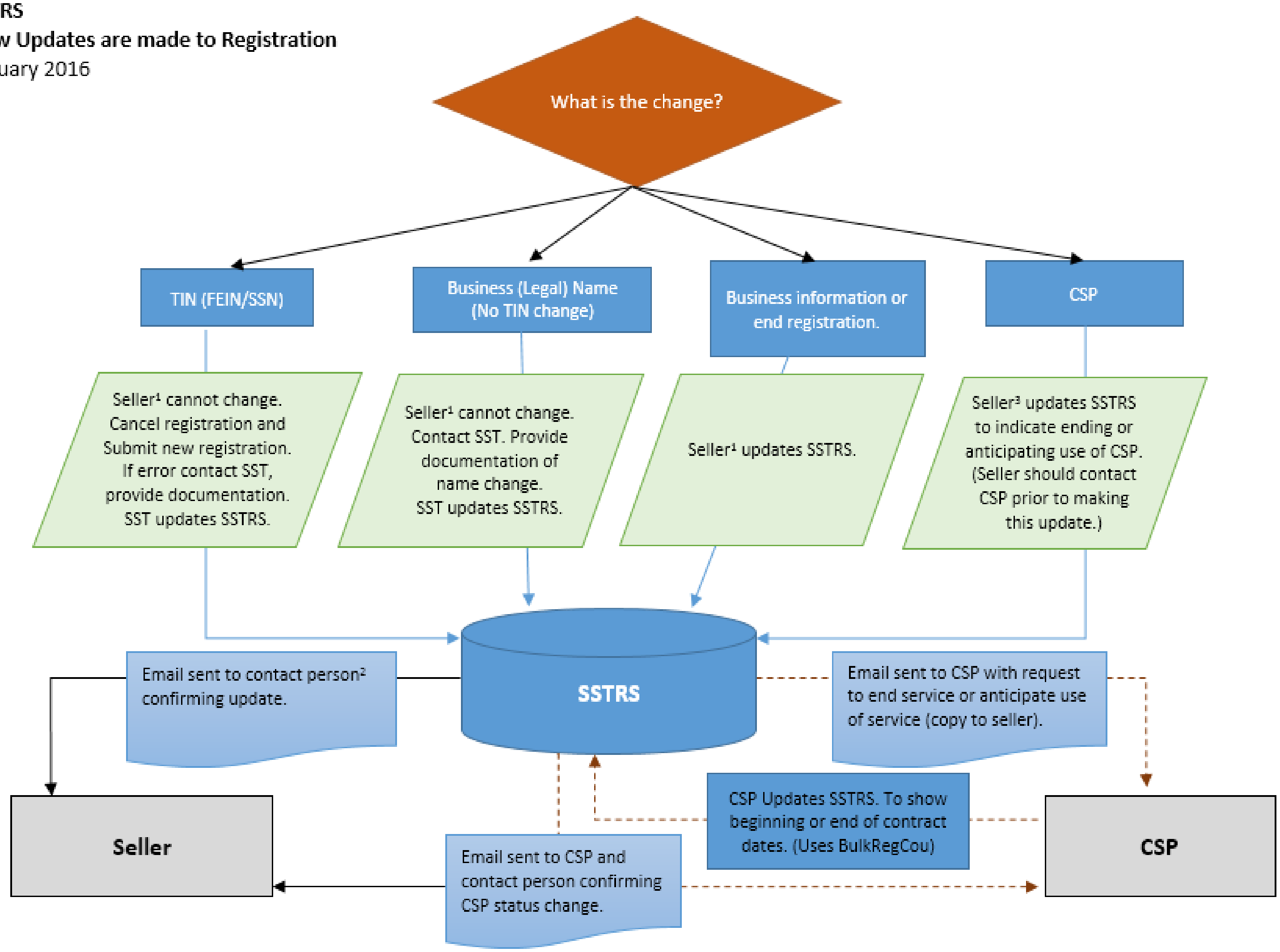
Production Site https://www.sstregister.org/

The production site is the live site for seller registrations.
States use this site to query registrations, Get Documents (download live RegNews and RegCous), Acknowledge transmissions and search prior transmissions.

SSTRS
New Registration
How Registration Data enters SSTRS
January 2016

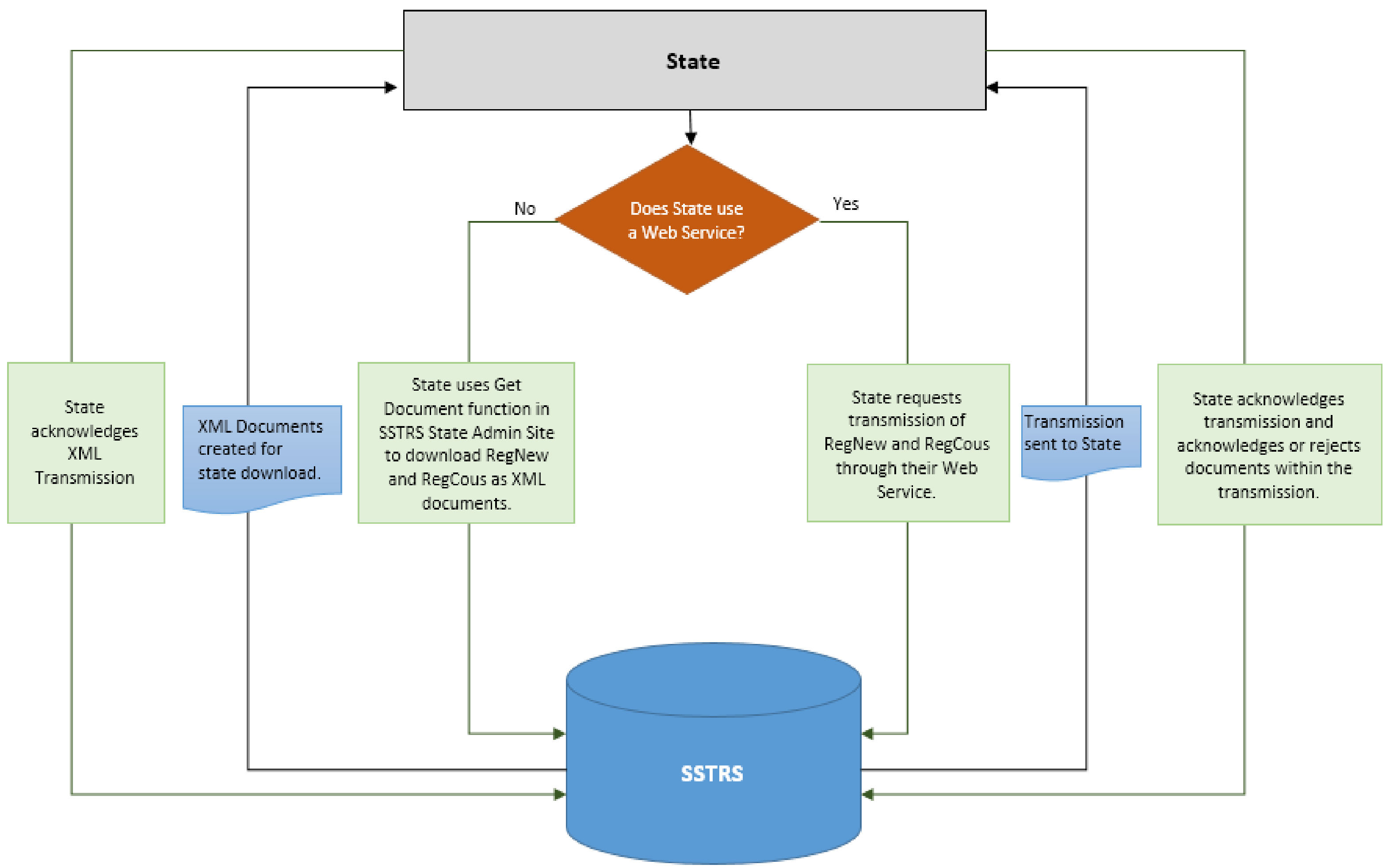


SSTRS
How Updates are made to Registration
January 2016



[1] An active CSP that has access to sellers account may update seller's registration.
[2] If seller has an active CSP on account, the CSP will receive email for any change to the account.
[3] Seller should contact CSP prior to making CSP changes in SSTRS. The CSP will then submit changes for the seller.

SSTRS
How Registrations and Changes are transmitted to States
January 2016



Chapter 13 Communications Technology: Registration

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Each state must implement technology to receive electronic registrations from the Streamlined Registration system. Each state must determine the communications technology best suited to its technology architecture and implement the infrastructure to support its chosen option.

Streamlined Registration

Azavar hosts the SSTRS and makes registration data available to the participating states using SOAP enveloping and the Registration schemas discussed in Chapter 12.

State Access to SSTRS

Each participating state has direct access to their SSTRS state administration page. The state has an assigned administrator, who can add as many users as that state wishes. Each administrator and user has a unique user ID and password.

SST Testing Central will create an administrator's account for the state. The administrator for that state may create ~~as many users as they wish~~user accounts as needed.

States using webservices cannot use the ADMIN user for the webservice, they will need to create a separate user for that process.

States should cancel accounts for users that leave or no longer need access to this system.

User Names cannot be changed. Emails and passwords can be changed.

Forgotten Password: Contact SST Testing Central to obtain a new password. Passwords and security questions may be changed when the user logs in.

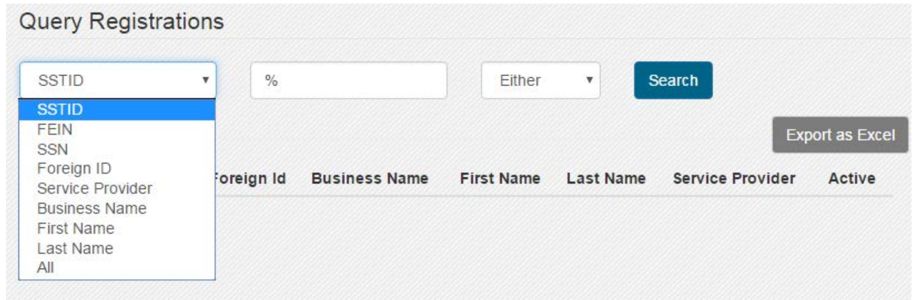
This site allows states to:

1. Query Registrations

~~States may query registration by Active, Inactive, or All accounts using the SSTID, FEIN, SSN, Foreign ID, or DBA.~~

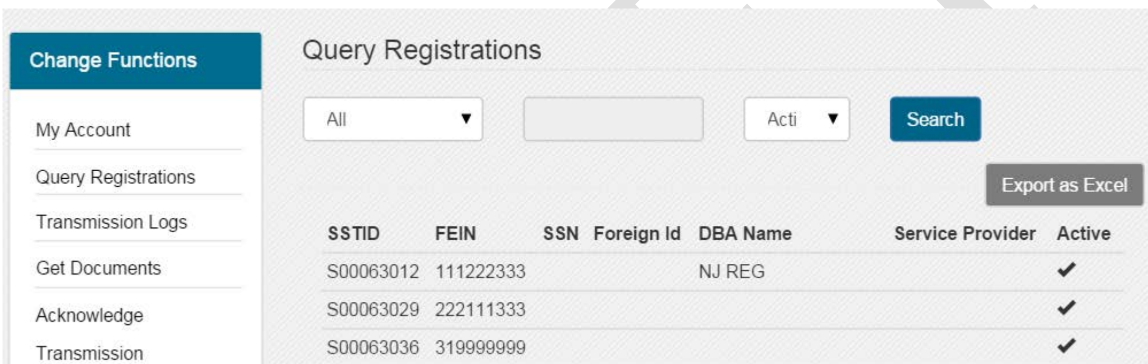
~~The query displays the basic information and may be Exported to an Excel file. The Export will show all information, except the password, from the accounts queried. The export may be done at any time. Testing Central will not send extracts to the states.~~
States may query SST registrations based on type of field and may search for active, inactive, or all records.

1. Select Field search is based on.
2. Enter the field data in the 2nd box. This must be entered *exactly* as it is in the system. The **Wildcard character is "%"**. Example: if you know the business name (legal name) includes "Jones" but you do not know how it starts or ends, enter %Jones%
To query all records, just use "%" in the search box.



3. Select if you want active, inactive, or both either active or inactive accounts.
The Active column will display a "**✔**" for active accounts and a "**X**" for accounts that are canceled.

Examples:
Query for all Active Accounts. This pulls in all active records in the current SSTRS.



Active: ✔ means active account; X means inactive or canceled account

Export Query results to Excel
The export will contain all current information from the account, except the password.

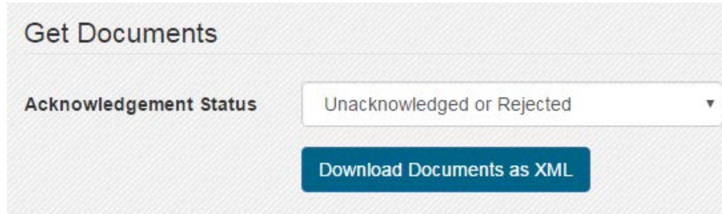
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
SSTID	FEIN	SSN	Foreign Id	EntityType	Legal Name First	Legal Name Middle	Legal Name Last	Legal Name Suffix	BusinessName	DBAName	BusinessAddress1	Business Address2	Business City	Business State Or Province	Business Postal Code	Business Country
S00068741		504556666		Sole proprietor	Jody		B			Testing for NC	445 E CAPITOL AVE		Pierre	SD	57501	US

R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH
MailingAddress1	Mailing Address2	Mailing City	Mailing State Or Province	Mailing Postal Code	Mailing Country	Contact Name First	Contact Name Middle	Contact Name Last	Contact Name Suffix	ContactEmail	ContactPhone	Contact Phone Extension	BusinessPhone	Business PhoneExt	NACIS	State Of Organization
445 E CAPITOL AVE		Pierre	SD	57501	US	Jody		B		jody.bartels@	(555) 555-5555		(555) 555-5555		123123	SD

AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB
Model Type	Service Provider Id	Service Provider Name	CSP End Date	CSP Last Filing Period	Unregistered Date	Out Of Business Date	CreateDate	Effective Date	Registration Status	South Dakota Registration Indicator	South Dakota Is Registered	South Dakota Is Previously Registered	South Dakota Has Sales	South Dakota Volunteering Status	South Dakota Is Remote Seller	South Dakota First Sales Date	South Dakota First Filing Period	South Dakota Last Sales Date	South Dakota Keep Account Open
None							20161130	20161130	Active	R	True	False	True	Undetermined	False	20161130	201611		

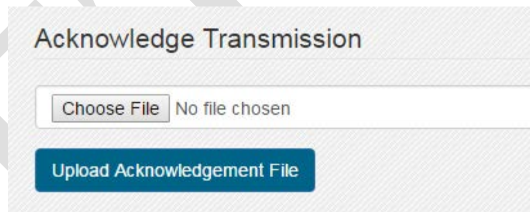
2. Get Documents

Use Get Documents to request download of RegNew and RegCou documents as XML. States can request documents based on the acknowledgement status. If they select Unacknowledged or Rejected they will receive all changes that were made since their last request and all changes prior that were either Unacknowledged or Rejected by their system. The default transaction under a web services method should be Get Unacknowledged.



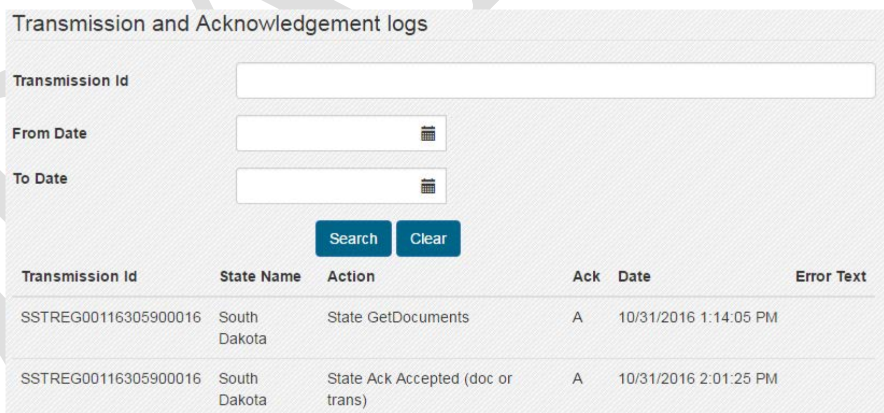
3. Acknowledge Transmissions and Documents

Once documents are requested, states will acknowledge the transmission. If this is not done, the next Get Document request will pull in all transmissions that were not acknowledged. If the state acknowledges the transmission but does not acknowledge or accept the individual documents, the next transmission will include all previously pulled documents that were not acknowledged.



4. Transmission Logs

States can Search prior transmission logs.



<u>Obtaining Data from SSTRS</u>

There are two methods to obtain data from the SSTRS

Recommended Communication Method is the use of web services. The SSTRS provides a web service to "push" the SOAP message to the state. The state in turn must implement a web service client to log onto the host and receive the message. The web service client WSDL (web services definition language) to be used is posted on Azavar's web site https://github.com/azavar/SST-API for the states to adapt for their use. The HTTP/S protocol will be used underlying the web service, with SSL (secure sockets layer) encryption to protect seller data.

The URL for Testing and Production for the webservice may be obtained from SST Testing Central. State and CSPs use the same URL.

Alternate Method to receive registration data is for the state to "pull" the SOAP message from the SSTRS host website using secure HTTP/S download. The state will log onto the SSTRS website where registration files for that state are available for download. Again, SSL will be used.

Chapter 14 Bulk Registration Rules – CSP USE ONLY

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A certified service provider (CSP or CAS) uses a bulk registration to (1) register a seller as a Model 1 seller; (2) become a CSP or CAS for a seller after the seller indicated it wanted to use a CSP or CAS; (3) set the allowance indicators for a seller; (4) update the seller's registration in the SSTRS; (5) stop being a seller's CSP or CAS or (6) unregister the seller from or close the seller's SSTRS account, by "calling" the Streamlined Sales Tax Central Registration System (SSTRS).

A CSP or CAS can submit information relating to one registration (or multiple registrations) in a single transmission to the SSTRS.

Please see the current schema set approved by the SSTGB, SST Business Rules and SST Definitions for further details about constructing this object and the requirements that must be met.

```
BulkRegistrationAcknowledgementType
BulkRegistration(BulkRegistrationTransmissionType
bulkRegistrationTransmission)
```

Testing Tool

A CSP or CAS must successfully pass the testing with Testing Central prior to being allowed to submit bulk registrations to the production system. A tool is provided by Azavar to test BulkRegistration. ~~and~~ C~~c~~ontact the SSTGB IT Director when you are ready to begin the testing process.

The URL for Testing and Production for the webservice may be obtained from SST Testing Central. State and CSPs use the same URL.

General Rules

- BulkRegistration is only available for certified service providers (CSPs and CASs)
- The caller (CSP or CAS) is responsible for generating a TransmissionId and a DocumentId (for each document), which is a 20-character string defined as: service provider ID (9 characters) + Year (2 digits) + Julian Day (3 digits) + Sequence Number (6 alphanumeric)
- TransmissionId/DocumentId can't be reused
- <EffectiveDate> is required and must always be today's date.

Input

As defined in the current SST schema set approved by the SSTGB, BulkRegistration input is a Transmission that contains a number of Documents. A document can convey one of several actions a certified service provider (CSP or CAS) can perform for a registration. Those actions are:

- Create new registration (N)
- Change an existing registration (C)
    - Start managing an existing registration
    - Update business info for all states
    - Update state registration info for one or more states
    - End managing a registration (i.e., stop being the sellers CSP or CAS)
- Unvolunteer/Unregister (U)
- Out of business (O)

For all actions, except when submitting a BulkNEW or initially requesting to manage an existing registration, the transmitter (CSP/CAS) must have been previously authorized to manage that registration through the SSTRS (the seller must indicate they anticipate using that CSP). New registrations created through a BulkNEW will be automatically manageable by the CSP or CAS who created them.

Create A New Registration (BulkNEW)

Action Code "N"

A certified service provider (CSP or CAS) can create an account on the seller's behalf. In this case, the new account will start as a ModelOne (or ModelTwo in the case of a CAS). The CSP/CAS must provide the RegistrationEntity, BusinessName (or IndividualName), DBAName (if applicable), NAICSCode, PhysicalAddress, MailingAddress, SellerPhone, SellerPhoneExt (if applicable), SSTPContact, StateIncorporated, TechnologyModel, and StateRegistrationIndicator (for each state), EffectiveDate (current date), FirstFilingPeriod, FirstSalesDate and NewPass. See the SST Definitions and Business Rules for the requirements of each of these fields.

This action can be done by sending a `<BulkRegistrationDocument>` with `<DocumentType>` set to "`BulkRegistrationNew`" and `<BulkRegistrationHeader>/<FilingType>` set to "`BulkRegNew`" and `<ActionCode>` set to "N".

Rules

- All fields are required, except those indicated followed by "if applicable" above. See the SST Definitions and Business Rules for the requirements of each of these fields.

- <TechnologyModel> is required for schema validation. The created account will be a ModelOne or ModelTwo (depending on the certified service provider identity).

- StateRegistrationIndicator must include State, RegistrationIndicator, FirstSalesDate, RemoteSellerID and SSTPAllowanceIndicator. RemoteEffDate is not used at this time.

- For each Full member state and any Associate or Contingent member state for which the seller is registering, <StateRegistrationIndicator>/<RegistrationIndicator> element must be either an R (Registering) or an A (Already Registered). (Note: An "R" means the seller is not currently registered in the state and an "A" means the seller already holds an active registration received directly from that state.) If the <StateRegistrationIndicator>/<RegistrationIndicator> for a Full member state(s) or an Associate or Contingent member state for which the seller is registering, is not included in the schema, the transaction will be rejected.

- For Non-SST states only, if the seller is registering for one or more of those states, state level data may be entered using the <StateRegistrationIndicator>/<RegistrationIndicator> element. One indicator is needed for each state and could be either an R (Registering and anticipating sales), an A (Already Registered and anticipating sales), an X (Registering but not anticipating sales) or a Z (Already registered but not anticipating sales).

- If an Associate, Contingent or Non-SST state(s) is not included in the schema the indicator(s) will be defaulted as an 'N' (Not registering).

- FirstSalesDate is required and must be the same for all Full member states and Associate and Contingent member state(s) for which the seller is registering.

- FirstSalesDate must be the current date or no more than 60 days in the future.

- FirstSalesDate represents the first day the CSP will begin managing the seller's account after registering through the SSTRS.

- FirstFilingPeriod is required.

- <StateRegistrationIndicator>/<RemoteSellerID> is required for schema validation and it must be an N at this time.

- SSTPAllowanceIndicator is required and must be a "Y" (yes), "N" (no) or "U" (undetermined).

- EffectiveDate is the current date.

- NewPass is the new password for the account and must follow the password rules. Passwords must be a minimum of 8 characters, a maximum of 10 characters. The passwords are case sensitive and can be alpha, numeric, or a combination. Passwords must contain at least one alpha character and at least one number.

Create A New Registration - Example

```
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationNew</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
```

```xml
            <FilingType>BulkRegNew</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationNew>
            <ActionCode>N</ActionCode>
            <RegistrationEntity>SP</RegistrationEntity>
            <IndividualName>
                <FirstName>First</FirstName>
                <LastName>Last</LastName>
            </IndividualName>
            <NAICSCode>154693</NAICSCode>
            <PhysicalAddress>
                <USAddress>
                    <AddressLine1Txt>Address 1</AddressLine1Txt>
                    <AddressLine2Txt>Address 2</AddressLine2Txt>
                    <CityNm>Chicago</CityNm>
                    <StateAbbreviationCd>IL</StateAbbreviationCd>
                    <ZIPCd>60604</ZIPCd>
                </USAddress>
            </PhysicalAddress>
            <SellerPhone>1234567890</SellerPhone>
            <SSTPContact>
                <ContactName>
                    <FirstName>Contact</FirstName>
                    <LastName>Last Name</LastName>
                </ContactName>
                <ContactPhone>9876543210</ContactPhone>
                <ContactEmail>email@website.com</ContactEmail>
            </SSTPContact>
            <StateIncorporated >IL</StateIncorporated>
            <TechnologyModel>
                <ModelOne/>
            </TechnologyModel>
            <StateRegistrationIndicator>
                <State>IL</State>
                <RegistrationIndicator>R</RegistrationIndicator>
                <FirstSalesDate>2015-10-01</FirstSalesDate>
                <RemoteSellerID>N</RemoteSellerID>
                <SSTPAllowanceIndicator>Y</SSTPAllowanceIndicator>
            </StateRegistrationIndicator>
            <EffectiveDate>2015-07-31</EffectiveDate>
            <FirstFilingPeriod>2015-08</FirstFilingPeriod>
            <NewPass>qweras1234</NewPass>
        </BulkRegistrationNew>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

Start Managing a Registration (BulkCOU)

Action Code “C”

If a seller is already registered in the SSTRS and not using a CSP or CAS, the certified service provider that is going to begin providing its services to that seller can only send a request

(BulkCOU) after the seller has requested the services of that particular CSP. The seller requests the services of the CSP or CAS by updating their account directly on the SSTRS User Interface (UI) and indicates which CSP or CAS they anticipate using. (Note: If a seller is changing the CSP he/she is currently using, either (1) the current CSP must end being that seller's CSP by submitting a BulkCOU and providing a CSP End Date, or (2) the seller must update their account through the UI and indicate that he/she has stopped using that CSP. The new CSP cannot send in a BulkCOU until after the end date submitted in (1) or (2) above has passed and the seller has requested the services of the new CSP or CAS as explained above.)

Once the seller has completed the above steps, the CSP or CAS can indicate they will start managing the seller's account by sending a <BulkRegistrationDocument> with <DocumentType> set to "BulkRegistrationCOU" and <BulkRegistrationHeader>/<FilingType> set to "BulkRegCOU" and <ActionCode> set to "C" and using <TechnologyModel>/<ModelOne> with CSPCode attribute set to be the CSP Id (or <TechnologyModel>/<ModelTwo> with CASCode attribute set to be the CAS Id).

Rules

- After the CSP or CAS has sent in the BulkCOU to become that seller's CSP or CAS, the certified service provider will need to send another BulkCOU request to set the <FirstFilingPeriod>, <FirstSalesDate>, and (if needed) other information such as allowance indicators, etc. (See Update State Indicators below and the schema for the BulkRegistrationCOU for more information.)

- FirstSalesDate will be used to indicate when a CSP or CAS will begin calculating and reporting the tax for that seller.

- This will be the current date or the first day of the current month.

- If a FirstSalesDate is provided, the CSP or CAS must also provide the FirstFilingPeriod.

- For all Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU to indicate they will be providing CSP or CAS services, the FirstSalesDate must be the same.

- FirstFilingPeriod will be used to identify the first period the CSP or CAS will be filing returns for that seller.

- This will be the current month and year and is set when the CSP or CAS first takes over that account.

- If a FirstFilingPeriod is provided, the CSP or CAS must also provide the FirstSalesDate.

- For all Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU to indicate they will be providing CSP or CAS services, the FirstFilingPeriod must be the same.

- CSPCode (or CASCode) must match the Id of the calling certified service provider or the transmission will fail.

Start Managing a Registration - Example

```
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationCOU>
            <ActionCode>C</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <TechnologyModel>
                <ModelOne CSPCode="CSP000099" />
            </TechnologyModel>
            <EffectiveDate>2015-10-01</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```


Update Business Info for All States (BulkCOU)

Action Code “C”

A CSP or CAS may make changes to the business information for a seller that is already registered through the SSTRS only if the CSP or CAS sending this request is currently identified as the CSP or CAS authorized to manage this account.

This can be done by sending a `<BulkRegistrationDocument>` with `<DocumentType>` set to “`BulkRegistrationCOU`” and `<BulkRegistrationHeader>/<FilingType>` set to “`BulkRegCOU`” and `<ActionCode>` set to “C” and using `<BusinessInfo>` section. See the SST Definitions and Business Rules for the requirements of each of the fields which are being updated.

Update Business Info - Example

```
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
```

```
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationCOU>
            <ActionCode>C</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <BusinessInfo>
                <DBAName>dba name</DBAName>
            </BusinessInfo>
            <EffectiveDate>2015-10-22</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

Update State Indicators (BulkCOU)

Action Code “C”

A CSP or CAS may make changes to the state registration info for a seller that is already registered through the SSTRS only if the CSP or CAS sending this request is currently identified as the CSP or CAS authorized to manage this account. ActionCode “C” transactions that affect state indicators are registering for additional Associate, Contingent or non-SST states, unregistering for an individual Associate, Contingent or non-SST state, a new Full member state joining SST, stopping the use of a CSP or CAS and setting allowance indicators.

This can be done by sending a <BulkRegistrationDocument> with <DocumentType> set to “BulkRegistrationCOU” and <BulkRegistrationHeader>/<FilingType> set to “BulkRegCOU” and <ActionCode> set to “C” and using <StateIndicators> section (one for each state). See the SST Definitions and Business Rules for the requirements of each of the fields.

Rules

- A single document can't contain 2 <StateIndicators> for the same state

Registration Indicator

- For Full member states, the CSP or CAS cannot change the <StateIndicators>/<RegistrationIndicator> except when a new state joins. When a new Full member state joins, the <StateIndicators>/<RegistrationIndicator> can only be an “A” (Already Registered) or an “R” (Registering). If

<StateIndicators>/<RegistrationIndicator> is not provided, this should default to "R" (Registering for this state).

- For new Associate, Contingent and non-SST states which the seller is registering for through the SSTRS, the <StateIndicators>/<RegistrationIndicator> can only be an "A" (Already Registered) or an "R" (Registering). If <StateIndicators>/<RegistrationIndicator> is not provided, this should default to "R" (Registering for this state).

- For individual Associate, Contingent and non-SST states which the seller is unregistering for through the SSTRS, the <StateIndicators>/<RegistrationIndicator> can only be a "U" (unregistering). (Note: The seller cannot unregister from individual Full member states.)

- If <StateIndicators>/<RegistrationIndicator> is set to U (for Associate, Contingent and non-SST states only), the <StateIndicators>/<LastSaleDate> value is required. (Note: If seller is unregistering for all states from the SSTRS or going out of business, see Unregister/Unvolunteer from SST (Action Code U) or Going Out of Business (Action Code O) below.)

Last Sales Date

- This field will only be used if unvolunteering/unregistering from an individual Associate, Contingent or non-SST state. This date cannot be more than 60 days in the past and no future date is allowed. This date represents the last date the CSP or CAS will calculate and collect tax for that seller.

State Acct Indicator

- This field will not be used when the ActionCode is C. It will only be used if the ActionCode is U. See Unvolunteer/Unregister from SST below for more information.

Remote Seller ID, Remote Effective Date and Remote End Date

- These fields are not being used at this time.

CSP End Date

- This field is only used if the CSP or CAS is going to stop providing its services for all of the states. See End Managing a Registration (Quit Being a CSP/CAS in All States) below for more information.

CSP Last Filing Period

- This field is only used if the CSP or CAS is going to stop providing its services for all of the states. See End Managing a Registration (Quit Being a CSP/CAS in All States) below for more information.

Account Close Date

- This field will not be used when the ActionCode is C. It will only be used if the ActionCode is O (Out of Business) or U (Unvolunteer). See Unvolunteer/Unregister from SST and Going Out of Business below for more information.

First Sales Date

- This field will be used when (1) a CSP or CAS begins calculating and reporting the tax for a seller and (2) when the seller using a CSP or CAS registers for an additional Associate, Contingent or non-SST state.
- This will be the current date or the first day of the current month.
- If a FirstSalesDate is provided, the CSP or CAS must also provide the First Filing Period.
- For all Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU to indicate they will be providing CSP or CAS services, the FirstSalesDate must be the same.

SSTP Allowance Indicators

- This field will only be used if Action Code is C. It is not used if Action Code is an O (Out of Business) or U (Unvolunteer/Unregister).
- It can be used for one or more states in the same transaction and identifies whether or not the CSP or CAS is entitled to compensation for that state.
- It must contain either a Y (Yes) or an N (No).
- If the indicator is N (No), this means the CSP is not entitled to compensation and is not providing CSP services to that seller for that state.

First Filing Period

- This field will be used to identify the first period the CSP or CAS will be filing returns for that seller.
- This will be the current month and year and is set when the CSP or CAS first takes over that account.
- If a FirstFilingPeriod is provided, the CSP or CAS must also provide the FirstSalesDate.
- For Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU, the <FirstFilingPeriod> must be the same.

Update state indicators (BulkCOU) Action Code “C” - Example

```xml
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationCOU>
            <ActionCode>C</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <StateIndicators>
                <State>IL</State>
                <RegistrationIndicator>R</RegistrationIndicator>
                <FirstSalesDate>2015-10-01</FirstSalesDate>
                <SSTPAllowanceIndicator>Y</SSTPAllowanceIndicator>
            </StateIndicators>
            <StateIndicators>
                <State>ID</State>
                <RegistrationIndicator>A</RegistrationIndicator>
                <SSTPAllowanceIndicator>N</SSTPAllowanceIndicator>
            </StateIndicators>
            <EffectiveDate>2015-10-22</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

End Managing a Registration (Quit being a CSP/CAS in ALL states)

Action Code “C”

A certified service provider (CSP or CAS) can end providing its services to a seller by providing a “CSPLastFilingPd” and “CSPEndDate” for all states where the seller is registered through the SSTRS. Only the certified service provider (CSP or CAS) currently managing this account can send this request.

This can be done by sending a <BulkRegistrationDocument> with <DocumentType> set to “BulkRegistrationCOU” and <BulkRegistrationHeader>/<FilingType> set to “BulkRegCOU” and <ActionCode> set to “C” and using <StateIndicators> section (one for each state). See the SST Definitions and Business Rules for the requirements of each of the fields.

Rules

- All states where the seller is registered (all Full member states and possibly other states) must have a<StateIndicators>element all with the same <StateIndicators>/<CSPLastFilingPd> and<StateIndicators>/<CSPEndDate>.

- If <StateIndicators>/<CSPEndDate> and <StateIndicators>/<CSPLastFilingPd> are not both provided the transaction will be rejected.

- CSPEndDate identifies the date the seller stops using a CSP or CAS and should always be the last day of a month no more than 60 days in the future to the current month or the last day of the prior month.

- If a CSPEndDate is provided, the BulkCOU must also include the CSPLastFilingPeriod.

- For all Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU, the CSPEndDate must be the same.

- CSPLastFilingPeriod identifies the last tax period the CSP or CAS will file for this account.

- If a CSPLastFilingPeriod is provided, the BulkCOU must also include the CSPEndDate.

- For all Full member states and all Associate and Contingent member states the seller is registered in at the time the CSP or CAS submits the BulkCOU, the CSPLastFilingPeriod must be the same.

- Once the transaction is accepted and the CSPEndDate has passed, the SSTRS will change the seller's Technology Model to None (Model 4) and that CSP or CAS will no longer be able to manage that account.

- The SSTRS will not accept a BulkCOU from a CSP or CAS to change the seller's TechnologyModel. This is done automatically by the SSTRS.

End Managing a Registration - Example

```
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
```

```
        <BulkRegistrationCOU>
            <ActionCode>C</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <StateIndicators>
                <State>AK</State>
                <CSPEndDate>2015-10-31</CSPEndDate>
                <CSPLastFilingPd>2015-10</CSPLastFilingPd>
            </StateIndicators>
            ...
            <StateIndicators>
                <State>WY</State>
                <CSPEndDate>2015-10-31</CSPEndDate>
                <CSPLastFilingPd>2015-10</CSPLastFilingPd>
            </StateIndicators>
            <EffectiveDate>2015-09-22</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

Out of Business (BulkCOU)

Action Code “O”

This will close the account and flag it as out of business. This request will only be accepted from the CSP or CAS that is currently identified as the CSP or CAS authorized to manage that account. Once this request is accepted by the SSTRS, this account will be inaccessible.

This can be done by sending a <BulkRegistrationDocument> with <DocumentType> set to “BulkRegistrationCOU” and <BulkRegistrationHeader>/<FilingType> set to “BulkRegCOU” and <ActionCode> set to “O”. The <StateIndicators>/<AcctCloseDate>will be used as the end registration date. See the SST Definitions and Business Rules for the requirements of each of the fields.

Rules

- All states where the seller is registered (all member states and possibly other states) must have a<StateIndicators>element all with the same <StateIndicators>/<AcctCloseDate>.

- The <StateIndicators>/<AcctCloseDate> is the last day of the current month or the last day of the prior month. Account Close Date cannot be prior to the Registration date.

- The<StateIndicators>/<StateAcctInd> do not need to be provided since the seller is going out of business, but if they are provided, they must contain an “N” or the transaction will be rejected. Please see Unvolunteer/Unregister for the proper use of <StateIndicators>/<StateAcctInd>.

- No information from any of the other fields (besides <StateIndicators>/<AcctCloseDate> and <StateIndicators>/<State>) will be forwarded to the states.

Out of Business - Example

```xml
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationCOU>
            <ActionCode>O</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <StateIndicators>
                <State>AK</State>
                <AcctCloseDate>2015-10-31</AcctCloseDate>
            </StateIndicators>
            ...
            <StateIndicators>
                <State>WY</State>
                <AcctCloseDate>2015-10-31</AcctCloseDate>
            </StateIndicators>
            <EffectiveDate>2015-10-22</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

Unvolunteer/Unregister from SST (BulkCOU)

Action Code U

This will close the account in the SSTRS and flag those states where the seller wants their individual state(s) registration to remain active. This request will only be accepted from the CSP or CAS that is currently identified as the CSP or CAS authorized to manage that account. Once this request is accepted by the SSTRS, this account will be inaccessible.

This can be done by sending a <BulkRegistrationDocument> with <DocumentType> set to “BulkRegistrationCOU” and <BulkRegistrationHeader>/<FilingType> set to “BulkRegCOU” and <ActionCode> set to “U”. See the SST Definitions and Business Rules for the requirements of each of the fields.

Rules

- All states where the seller is registered (all member states and possibly other states) must have a<StateIndicators>element all with the same <StateIndicators>/<AcctCloseDate>.

- The <StateIndicators>/<AcctCloseDate>will be used as the end registration date.

- The <StateIndicators>/<AcctCloseDate> is the last day of the current month or the last day of the prior month. Account Close Date cannot be prior to registration date.

- <StateIndicators>/<StateAcctInd> can be set to Y to indicate the seller wants to remain registered in an individual state(s). If the <StateIndicators>/<StateAcctInd> is not provided, the indicator will default to N (don't keep the account open in that state).

- This field is used to identify those states which the seller wants to keep their sales tax account open, even though they are unregistering or unvolunteering from SST.

- All other fields (besides <StateIndicators>/<AcctCloseDate>, <StateIndicators>/<StateAcctInd> and <StateIndicators>/<State>) will not be used and will not be forwarded to the states.

Unvolunteer/Unregister - Example

```
<BulkRegistrationTransmission xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
transmissionVersion="SST2015V01">
    <TransmissionHeader>
        <TransmissionId>CSP00009915123123456</TransmissionId>
        <DocumentCount>1</DocumentCount>
    </TransmissionHeader>
    <BulkRegistrationDocument>
        <DocumentId>CSP00009915123123457</DocumentId>
        <DocumentType>BulkRegistrationCOU</DocumentType>
        <BulkRegistrationHeader>
            <ElectronicPostmark CSPID="CSP000099">2015-10-
22</ElectronicPostmark>
            <FilingType>BulkRegCOU</FilingType>
            <TIN TypeTIN="SSN">
                <FedTIN>001122334</FedTIN>
            </TIN>
        </BulkRegistrationHeader>
        <BulkRegistrationCOU>
            <ActionCode>U</ActionCode>
            <SSTPID>S00046251</SSTPID>
            <StateIndicators>
                <State>AK</State>
                <AcctCloseDate>2015-10-31</AcctCloseDate>
                <StateAcctInd>Y</StateAcctInd>
            </StateIndicators>
            ...
            <StateIndicators>
                <State>WY</State>
                <AcctCloseDate>2015-10-31</AcctCloseDate>
            </StateIndicators>
            <EffectiveDate>2015-10-22</EffectiveDate>
        </BulkRegistrationCOU>
    </BulkRegistrationDocument>
</BulkRegistrationTransmission>
```

CHAPTER 15 XML Schema SST2015V01

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FOR CSP Use Only:

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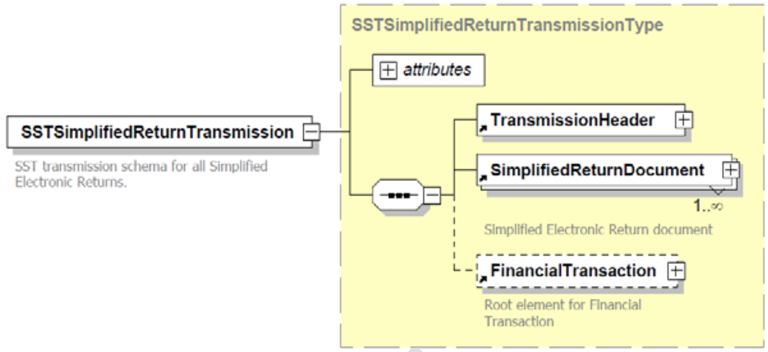
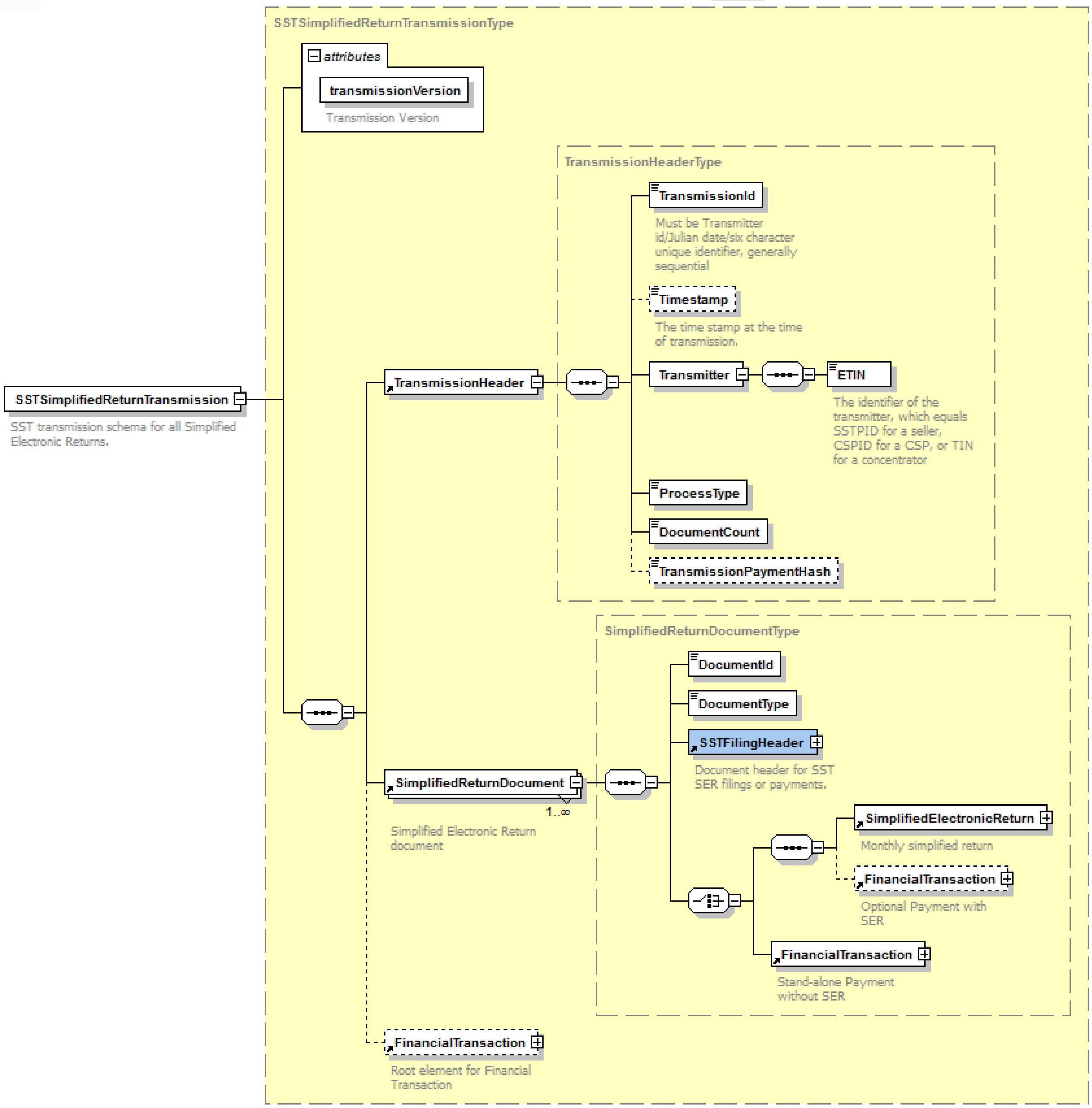
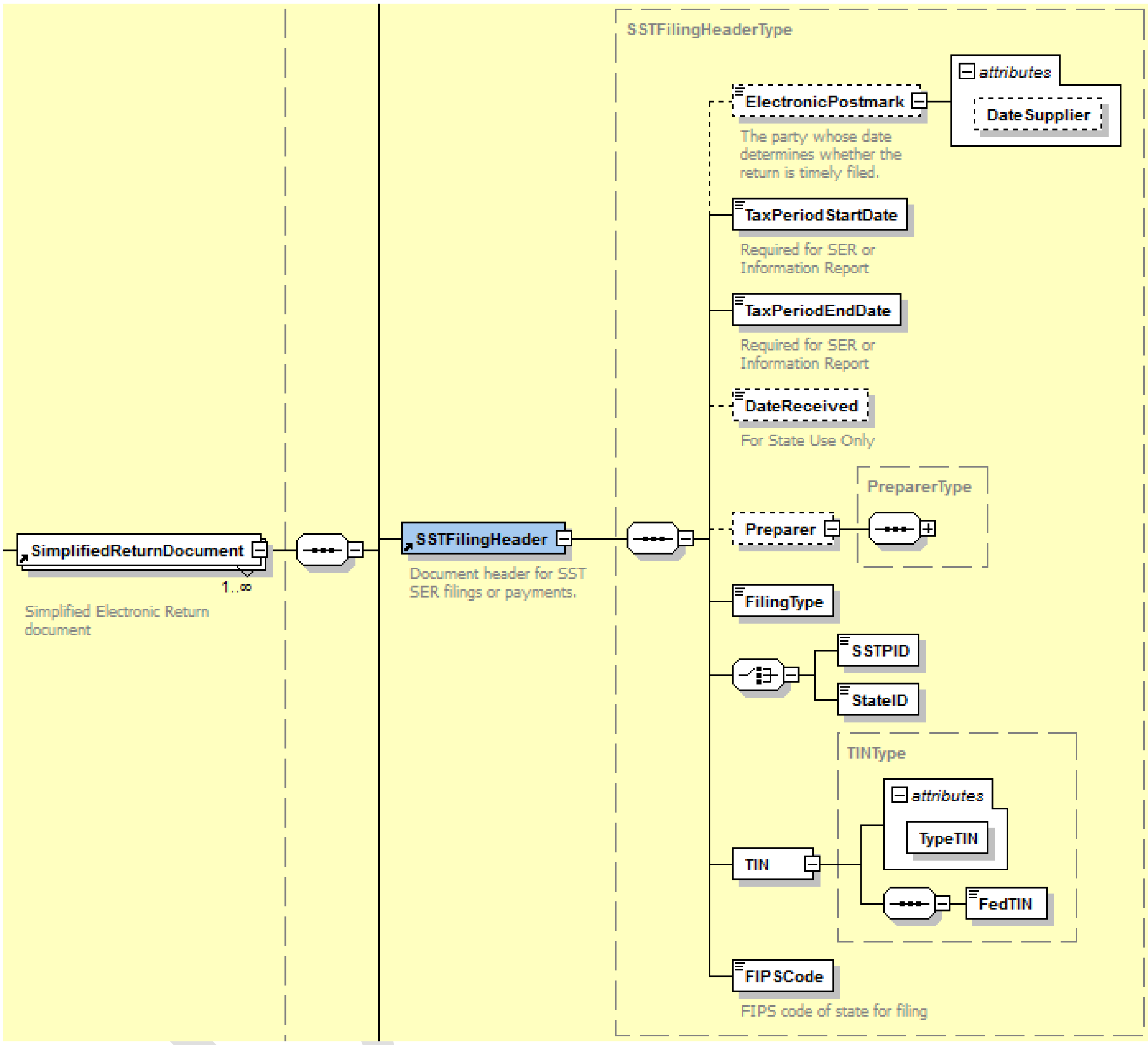
1. SST Simplified Return Transmission
2. Transmission Header
3. Simplified Return Document

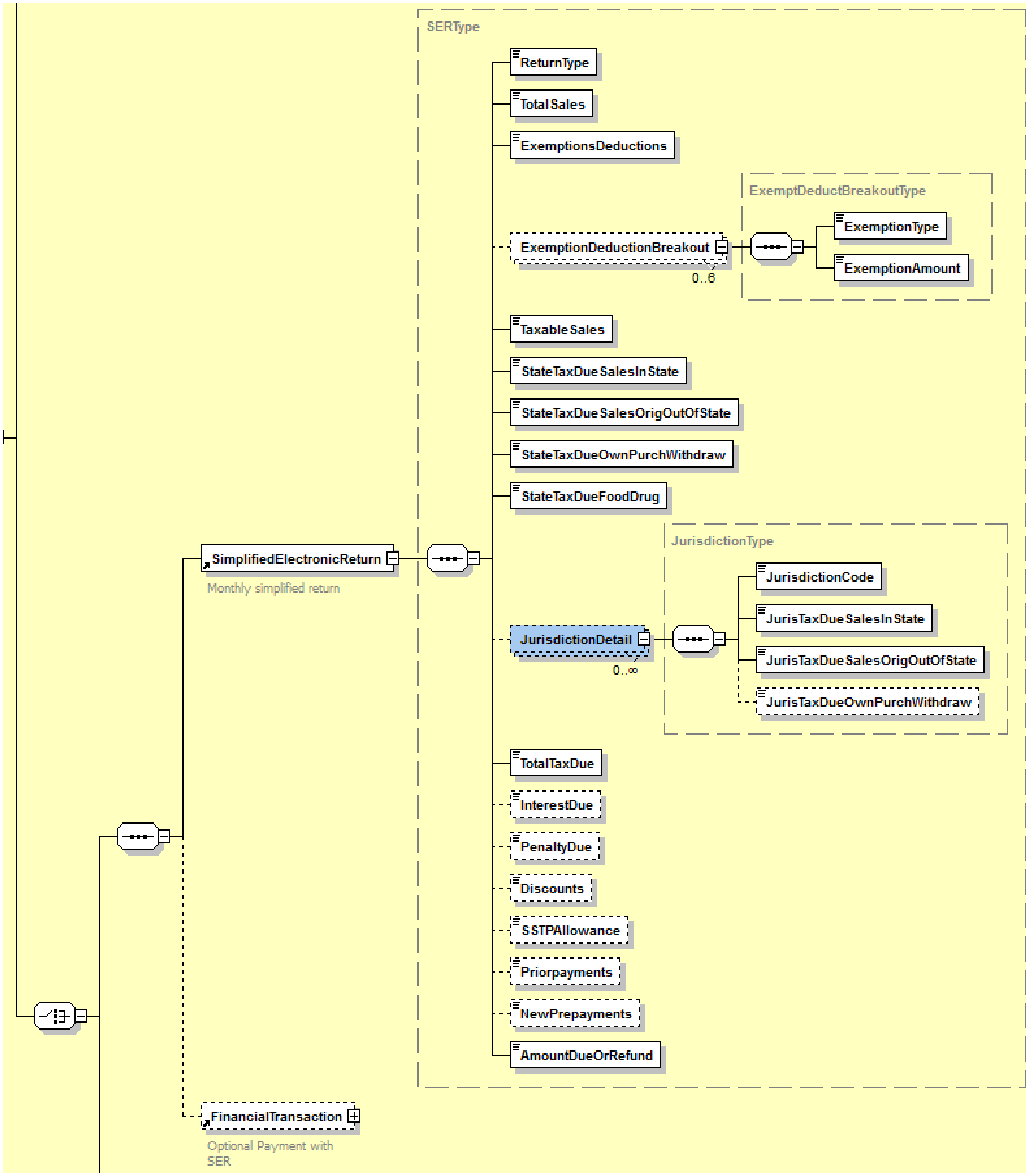




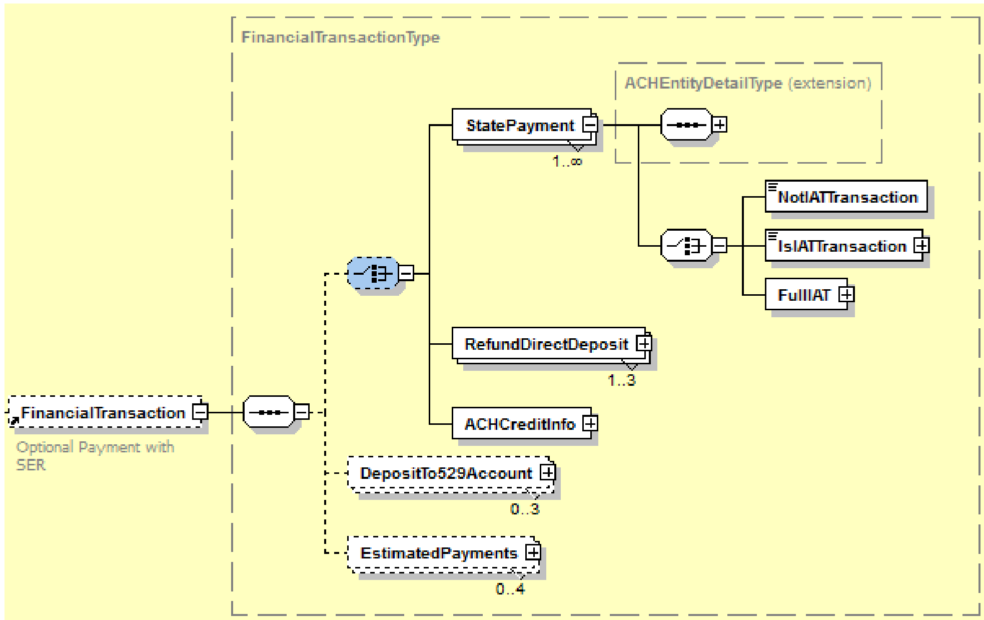
4. Simplified Return Document: SST Filing Header



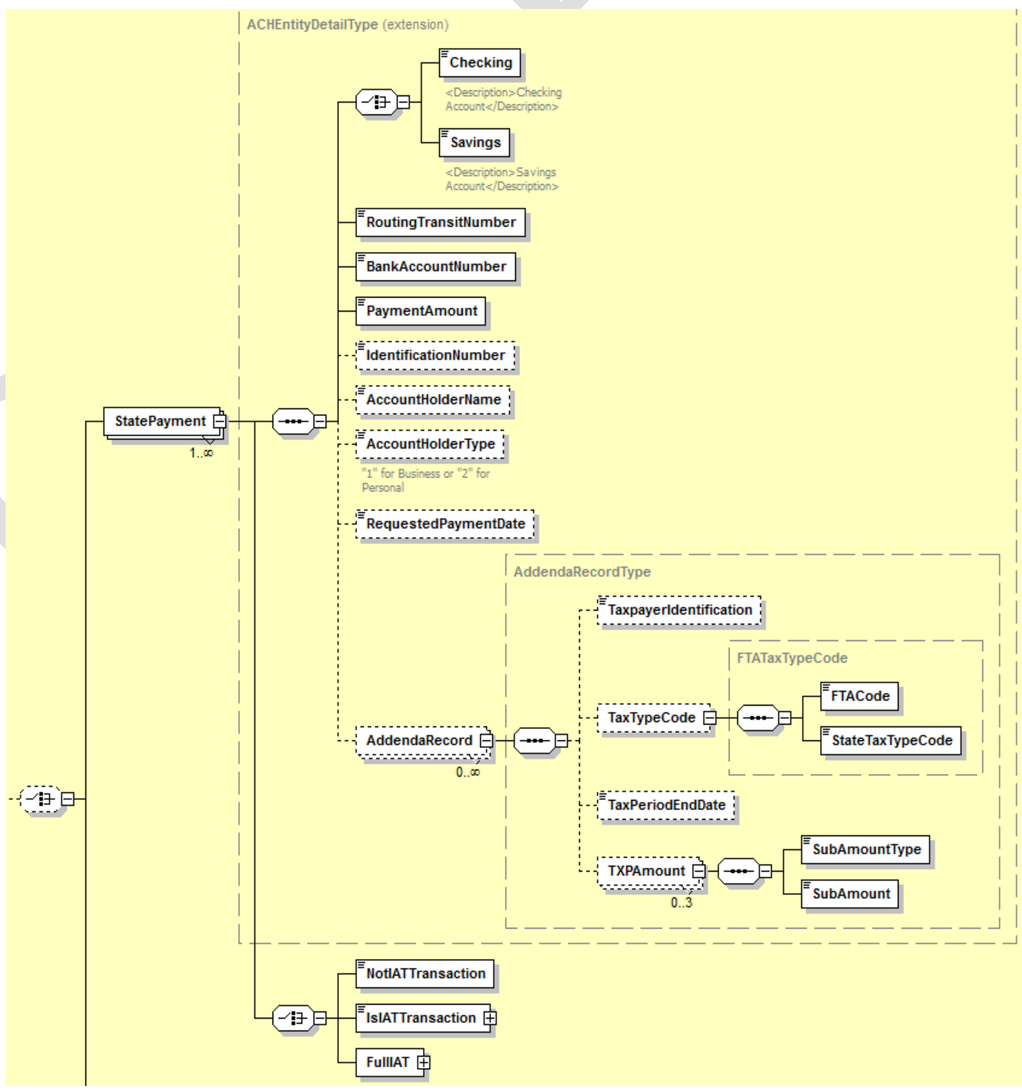
5. Simplified Return Document: Simplified Electronic Return



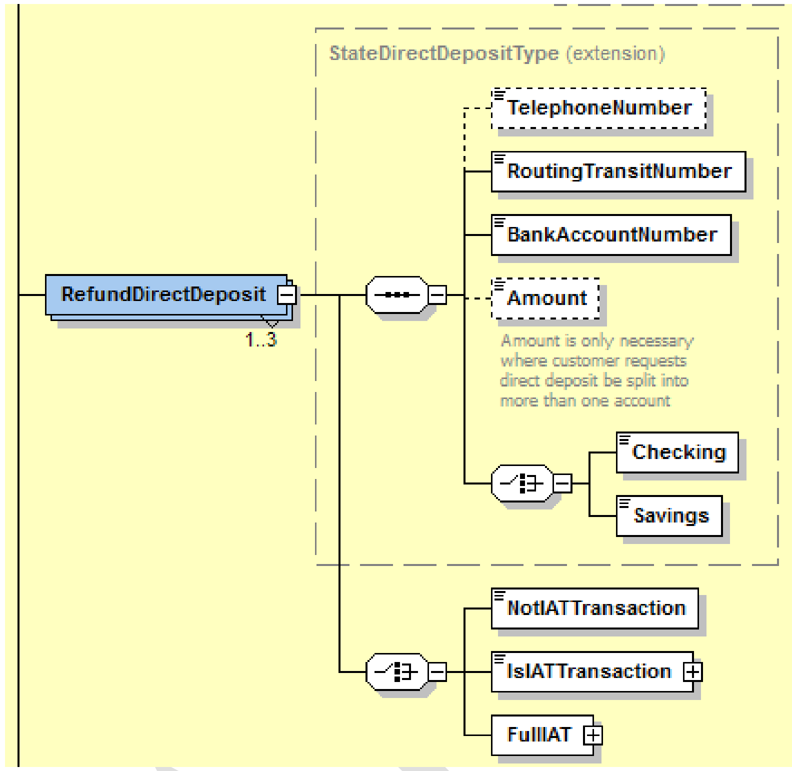
6. Simplified Return Document: Financial Transaction (All Financial Transactions contain same fields)



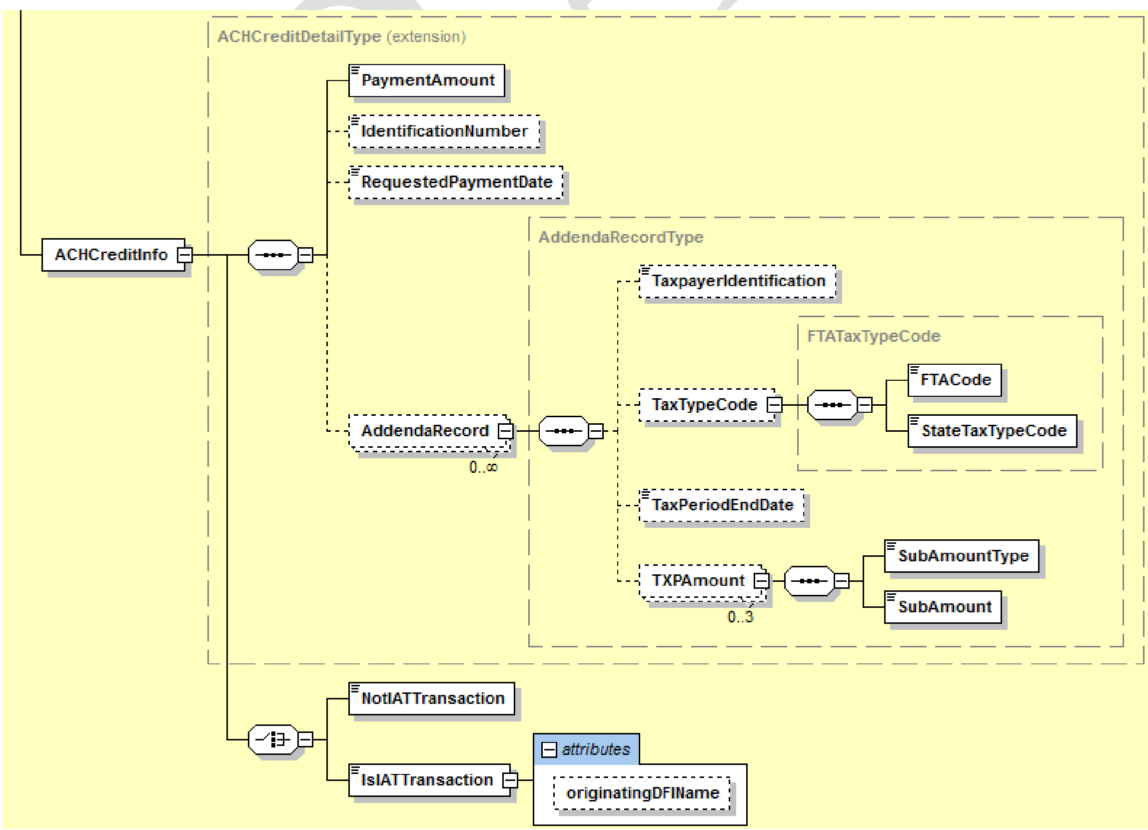
7. Financial Transaction: State Payment (ACH debit)



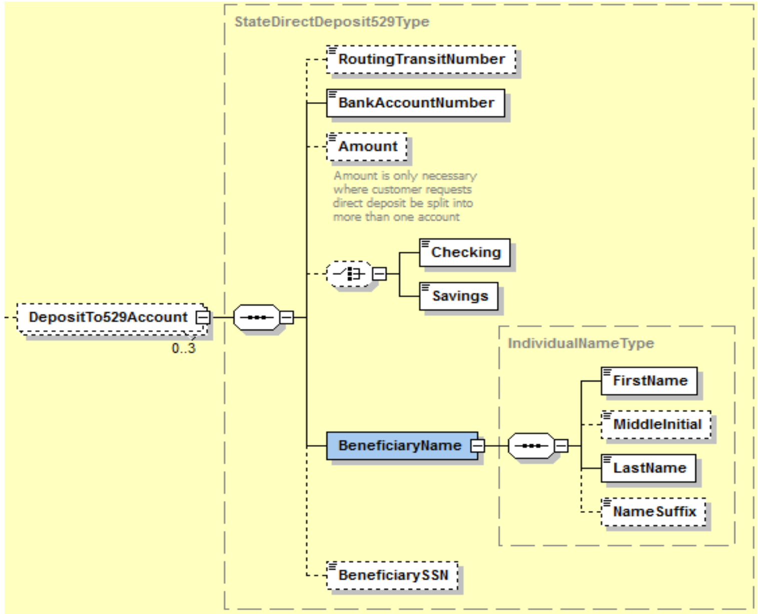
8. Financial Transaction: Refund Direct Deposit



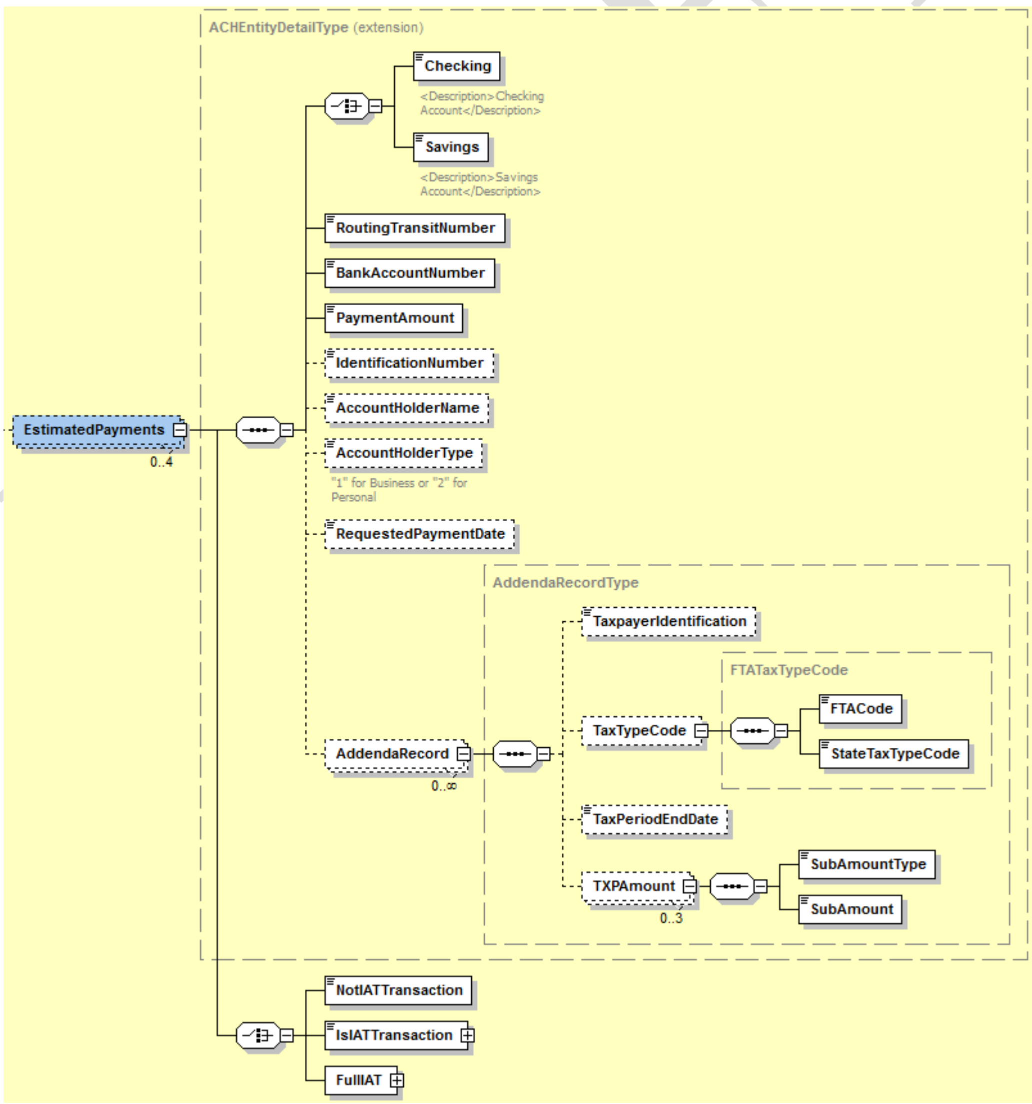
9. Financial Transaction: ACH Credit



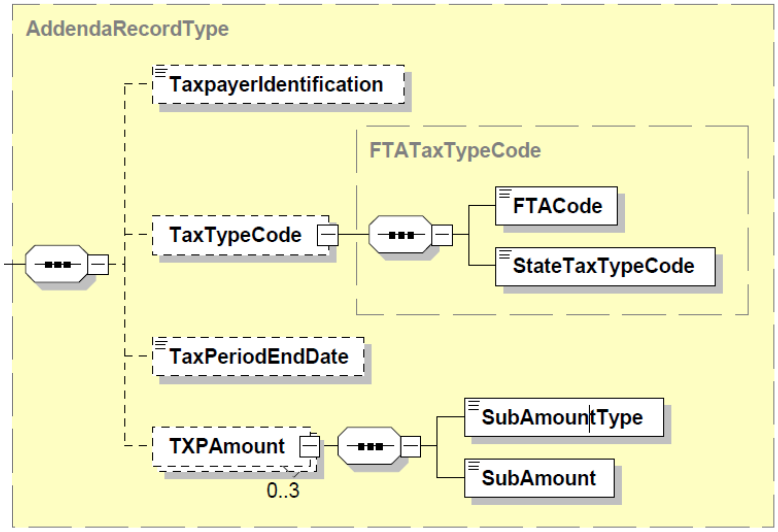
10. Financial Transaction: DepositTo529Account



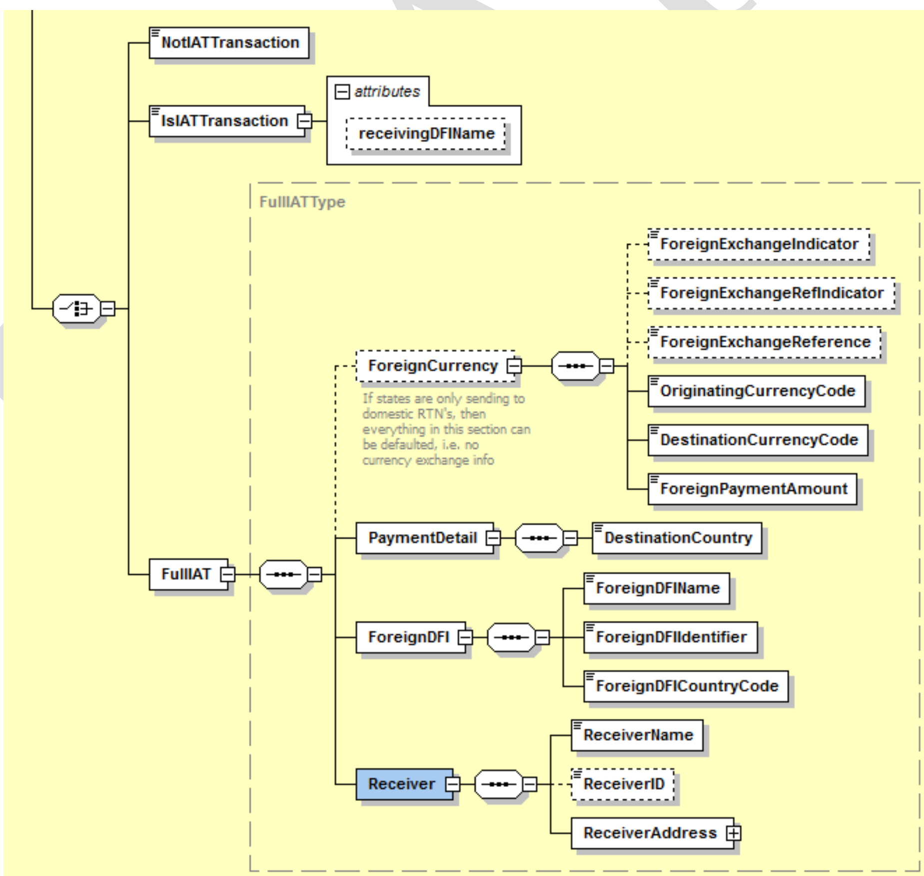
11. Financial Transaction: Estimated Payments



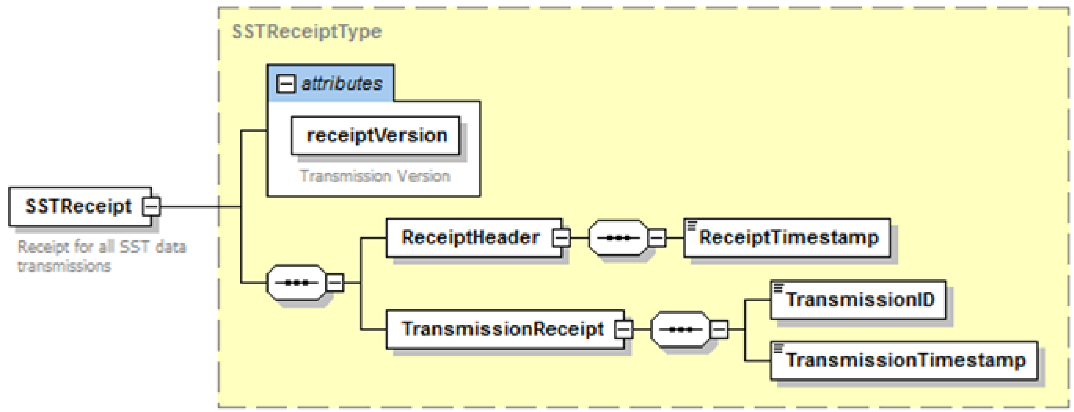
12. Financial Transaction: AddendaRecord (Included in State Payment, ACH Credit, Estimated Payments) (All Addenda Records are the same.)



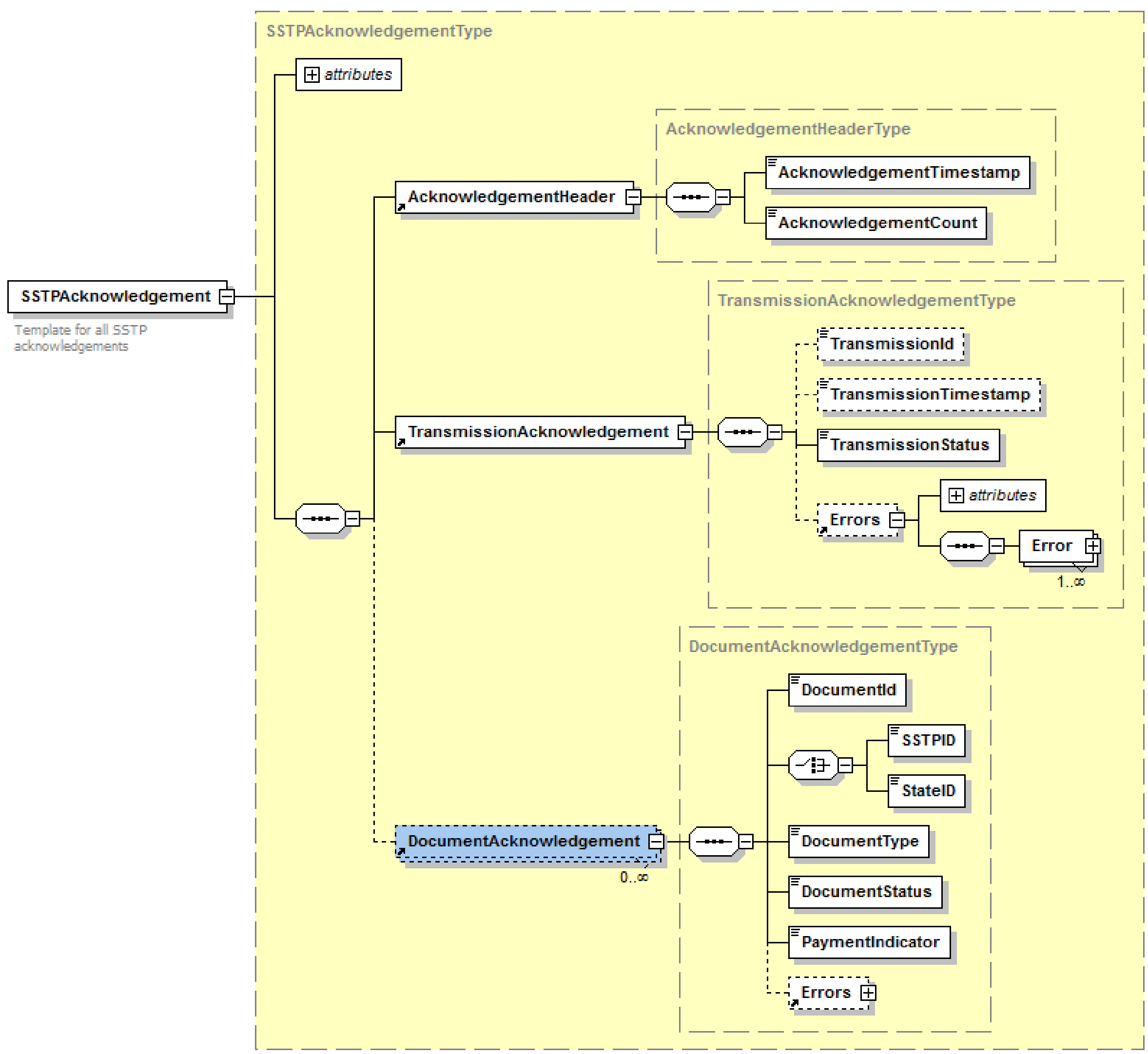
13. Financial Transaction: IATransaction



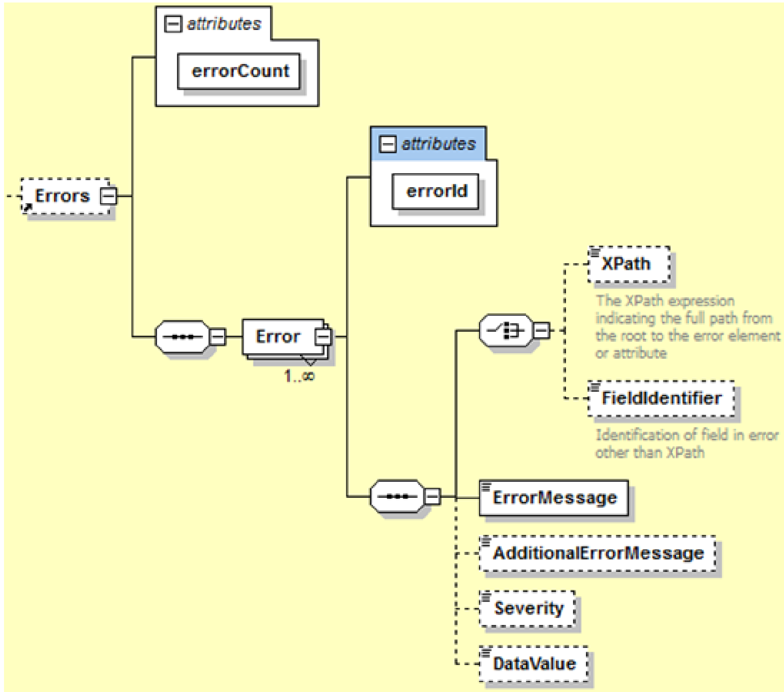
14. SST Receipt



15. SSTP Acknowledgement

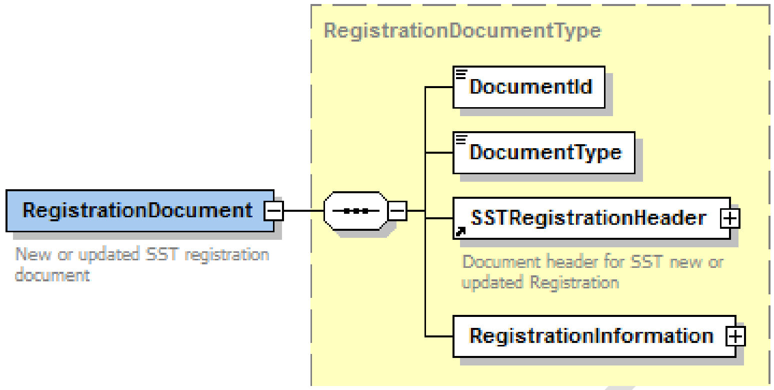


16. Errors

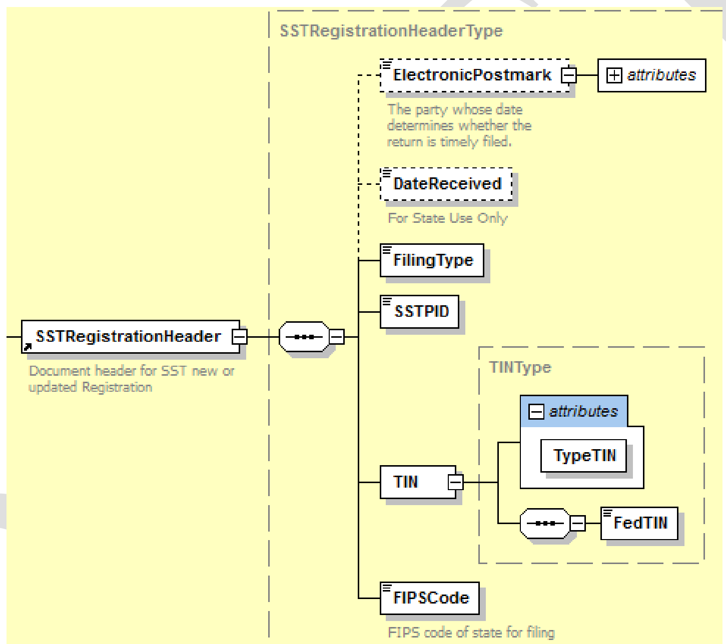


attributes
errorCount
Errors
attributes
errorId
XPath
The XPath expression indicating the full path from the root to the error element or attribute
Error
1..∞
FieldIdentifier
Identification of field in error other than XPath
ErrorMessage
AdditionalErrorMessage
Severity
DataValue

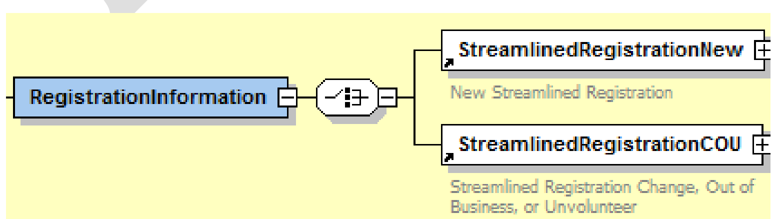
17. RegistrationDocument



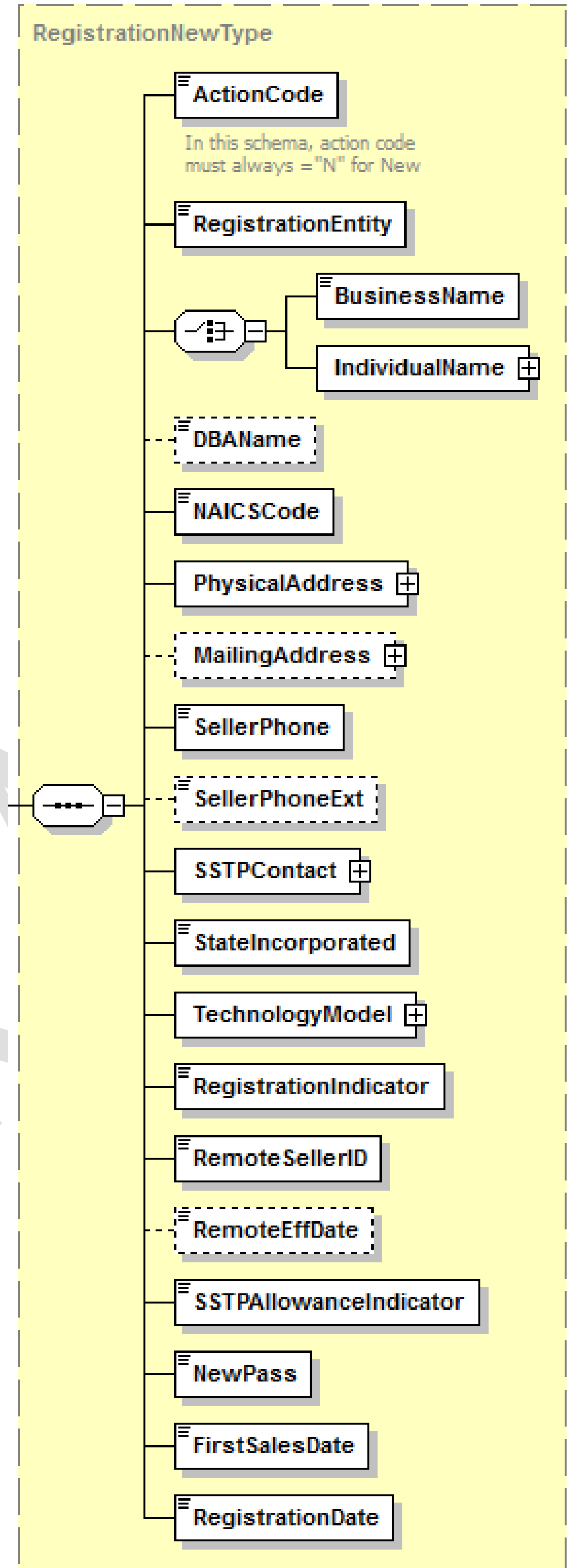
18. SST Registration Header



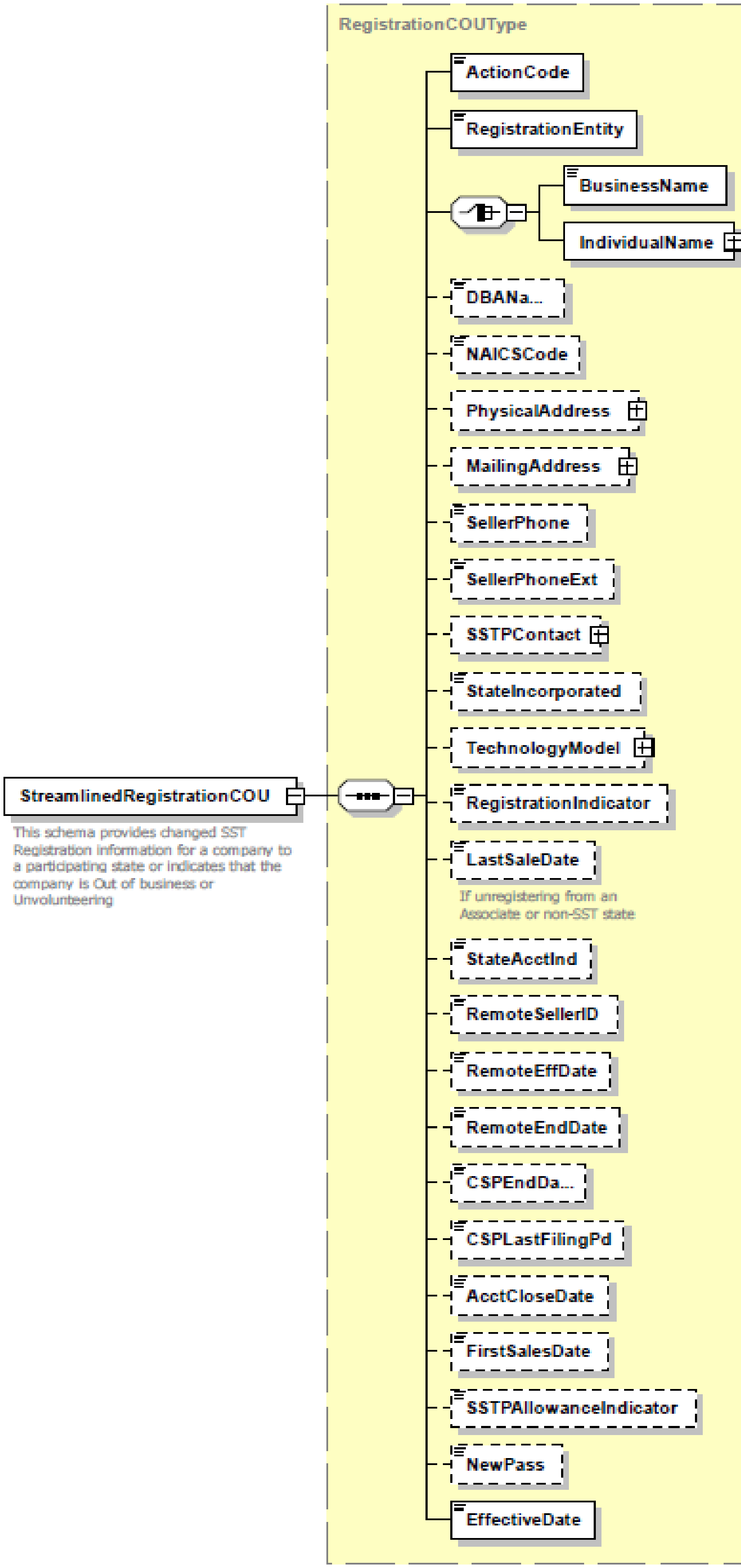
19. Registration Information



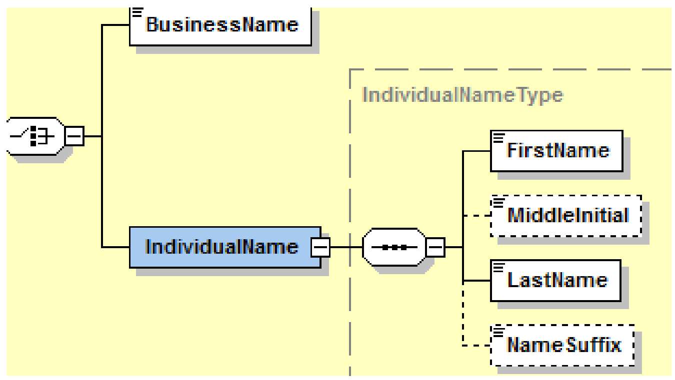
20. Streamlined Registration New



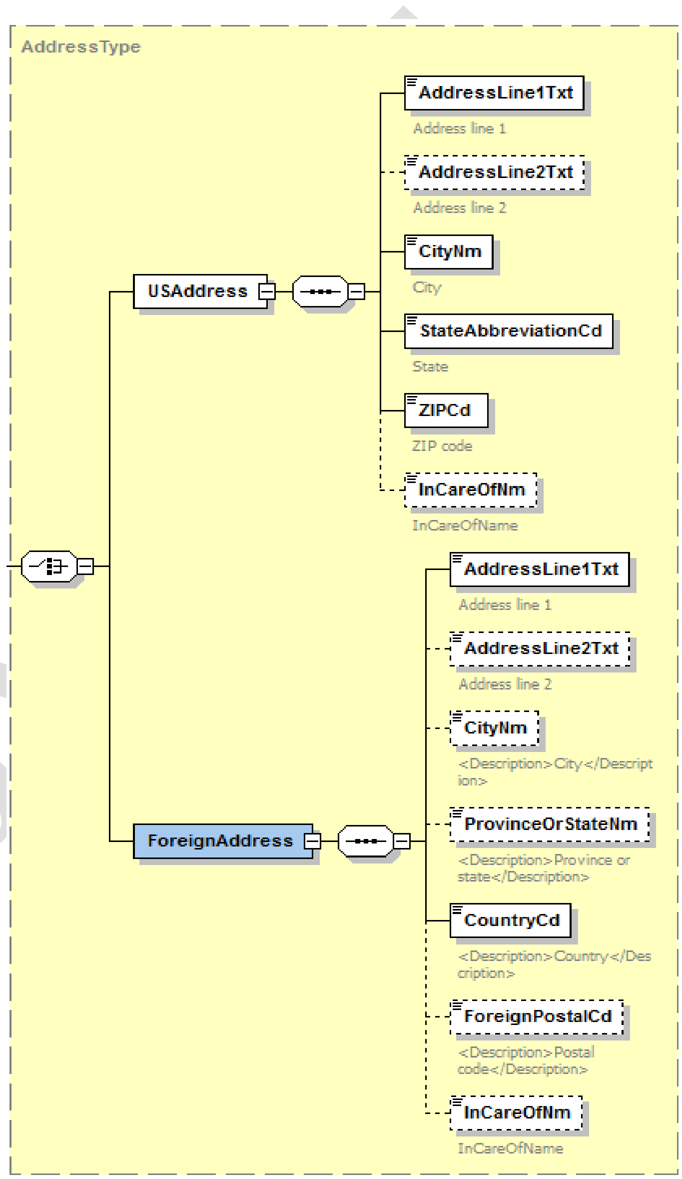
21. Streamlined Registration Cou



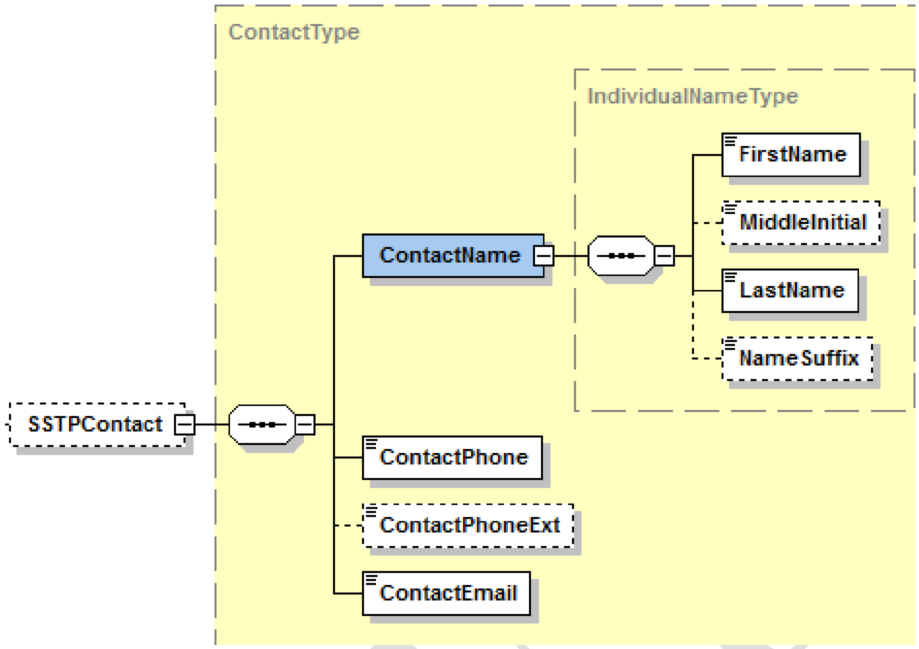
22 Individual Name



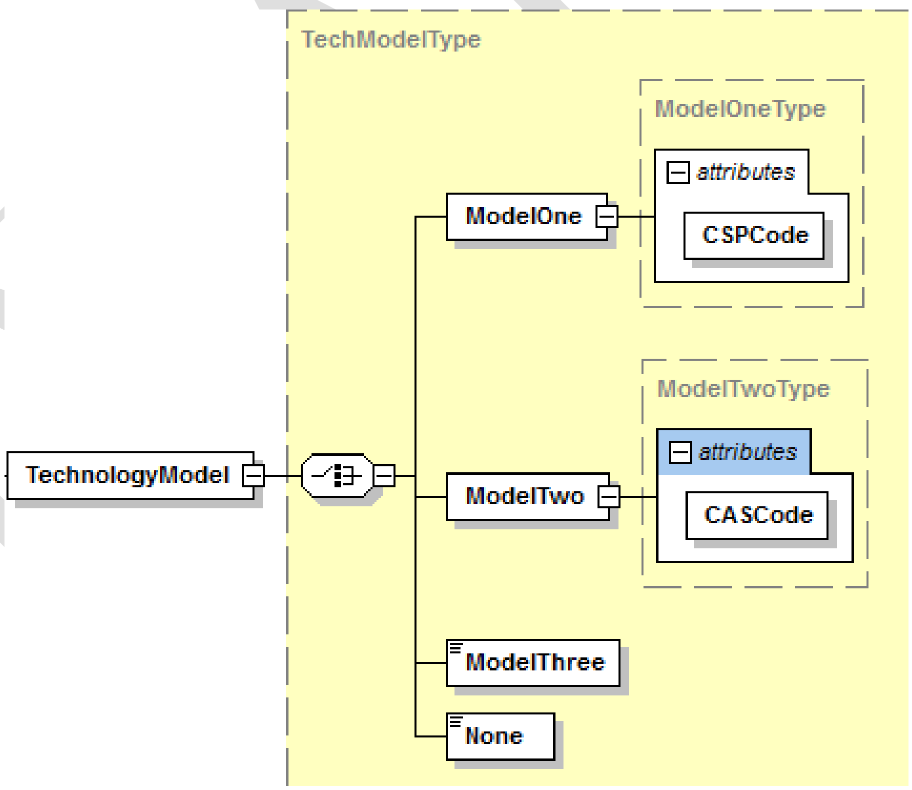
23. Address Type



24. SSTP Contact



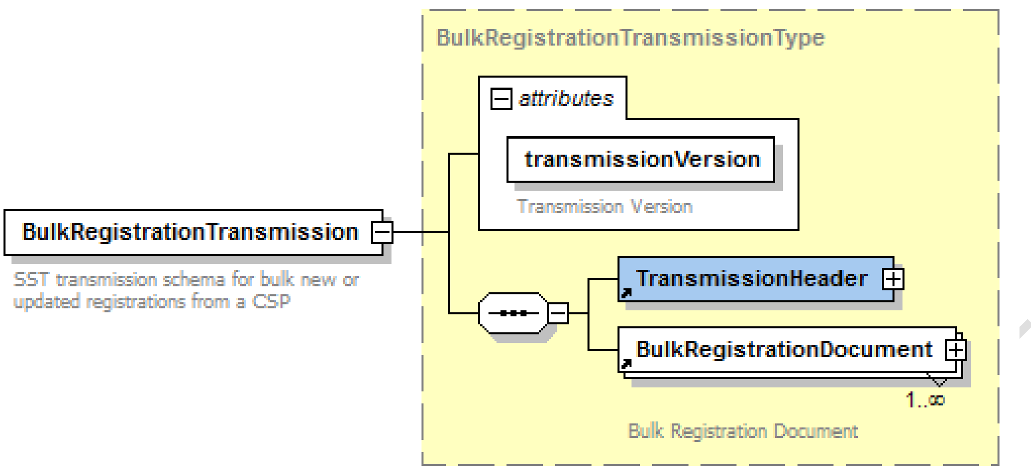
25. Technology Model



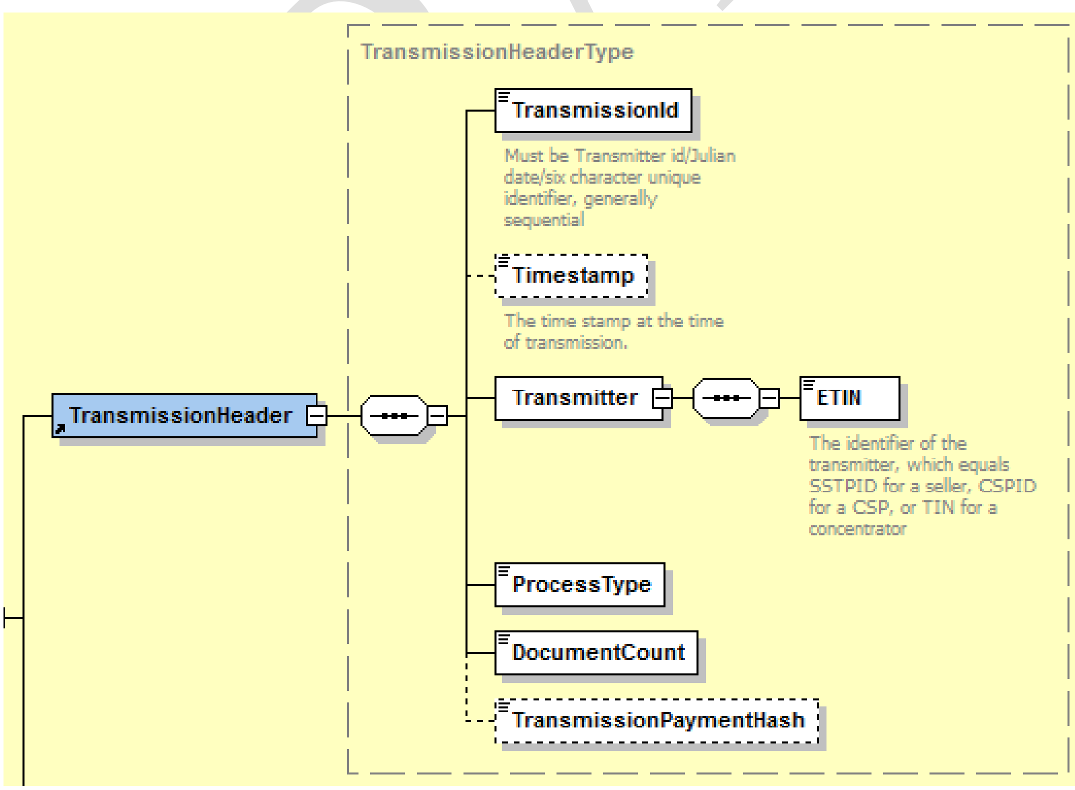
CSP USE ONLY

This is the schema CSPs use to submit data to the SSTRS. The CSP Does not send registration data directly to the states. States do not use the Bulk Registration Transmission.

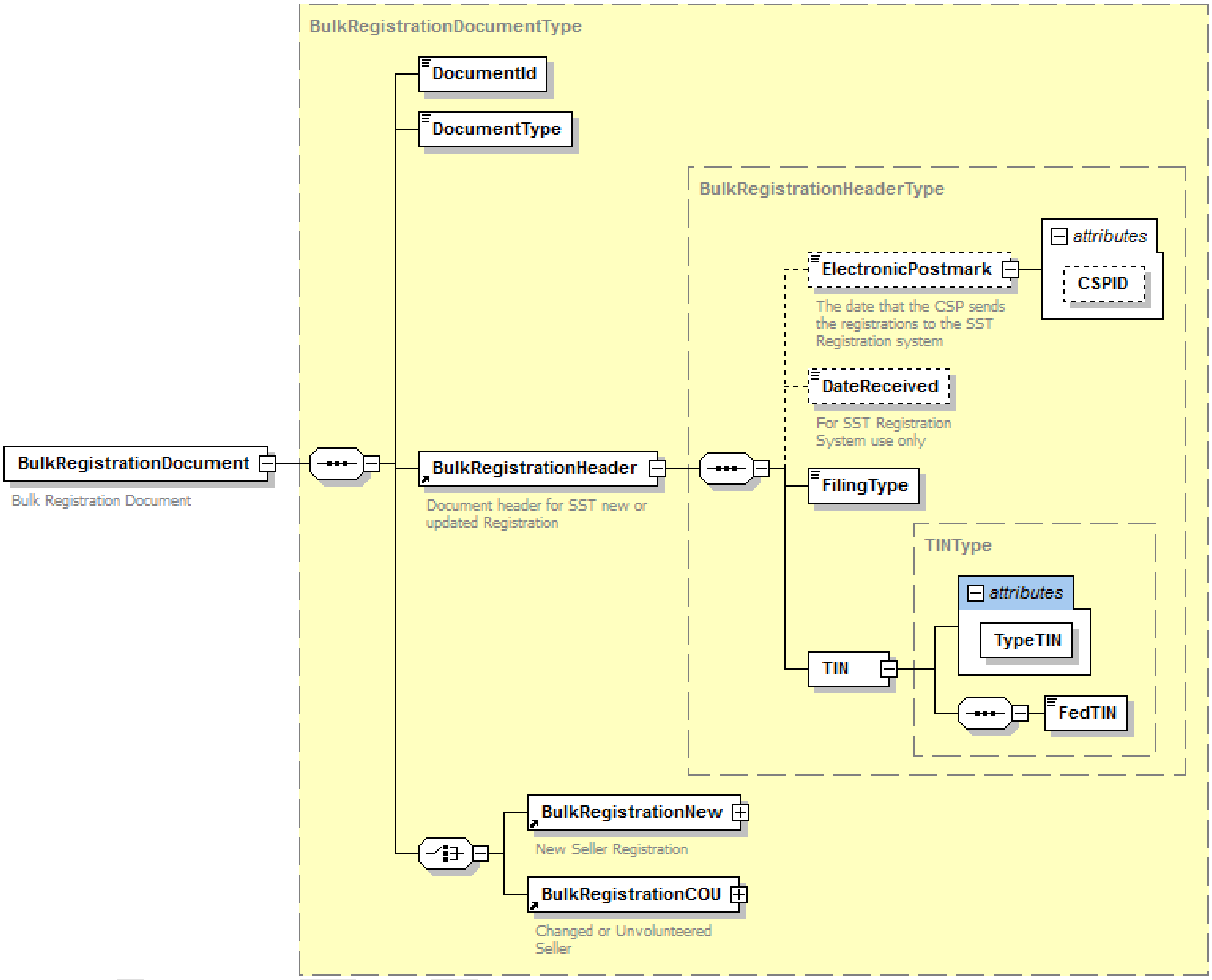
26. Bulk Registration Transmission



27. Transmission Header

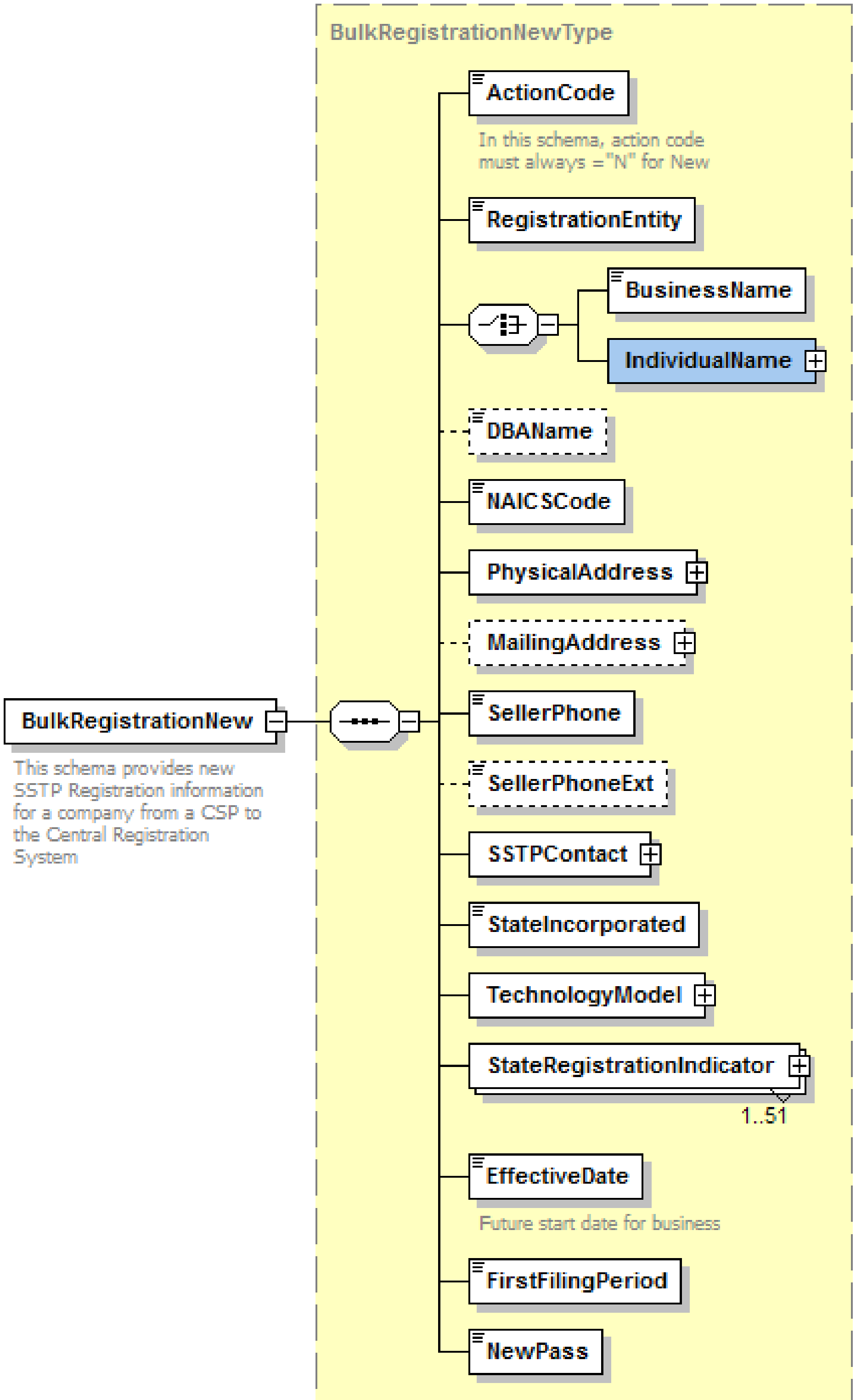


28. Bulk Registration Document

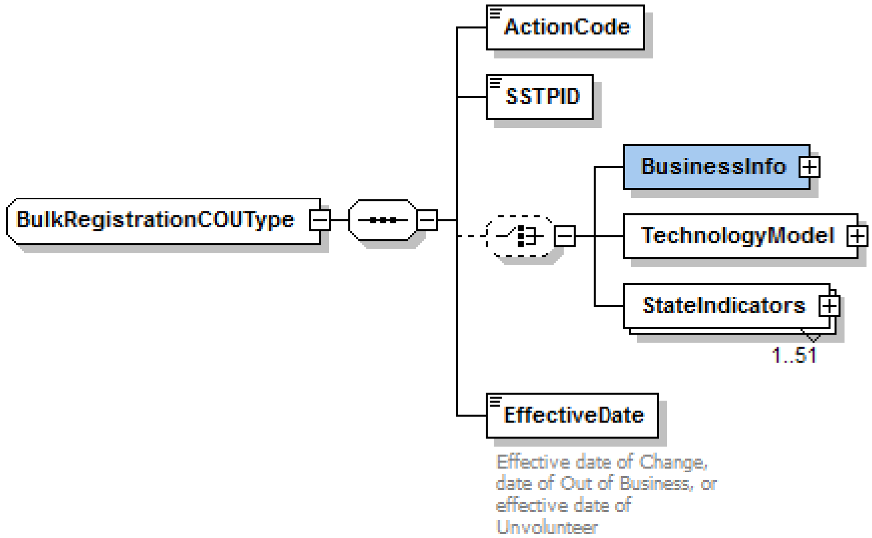


Note: Bulk Registration New and Cou Addresses, SSTP Contact, Physical and Mailing addresses contain same fields as the Streamlined RegCou and RegNew used by the states.

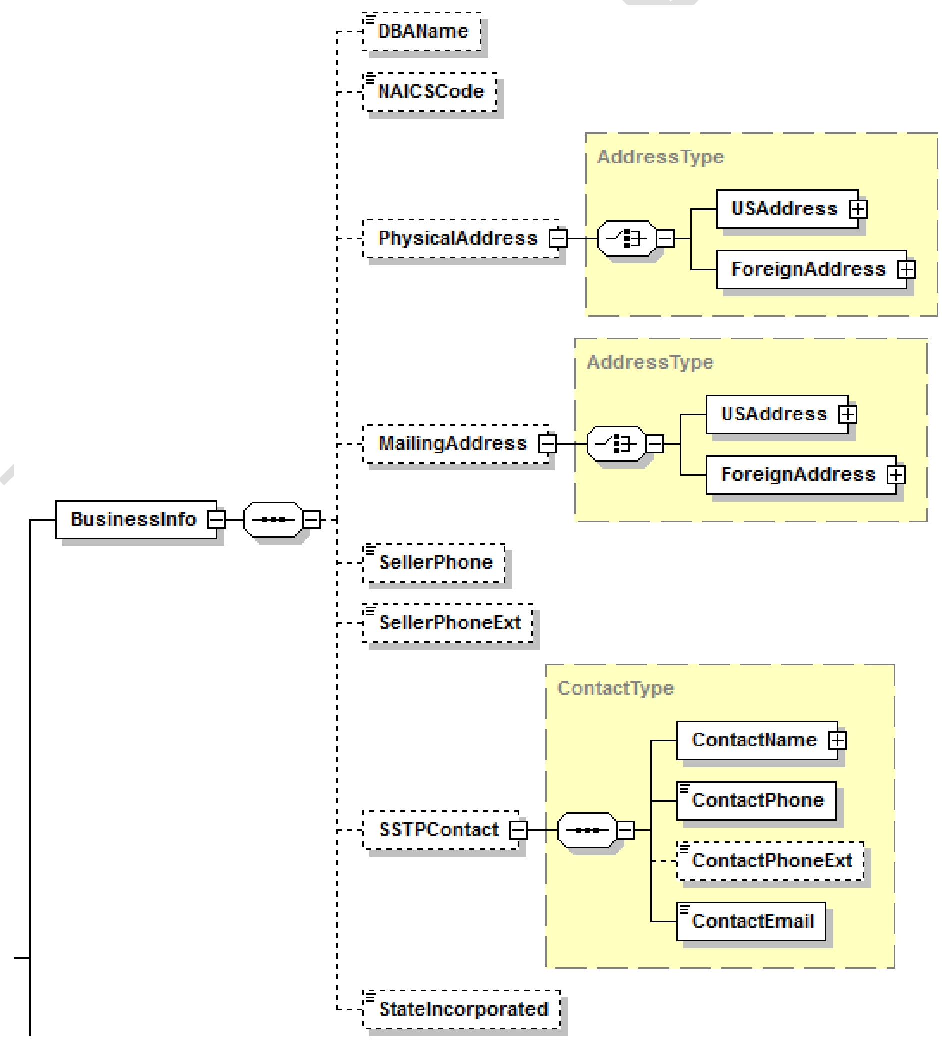
29. Bulk Registration New



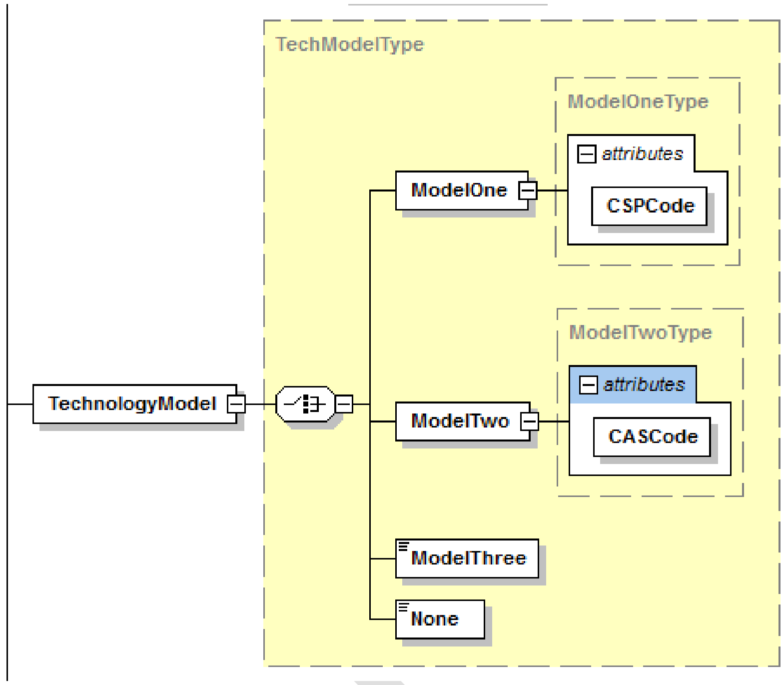
30. Bulk Registration Cou



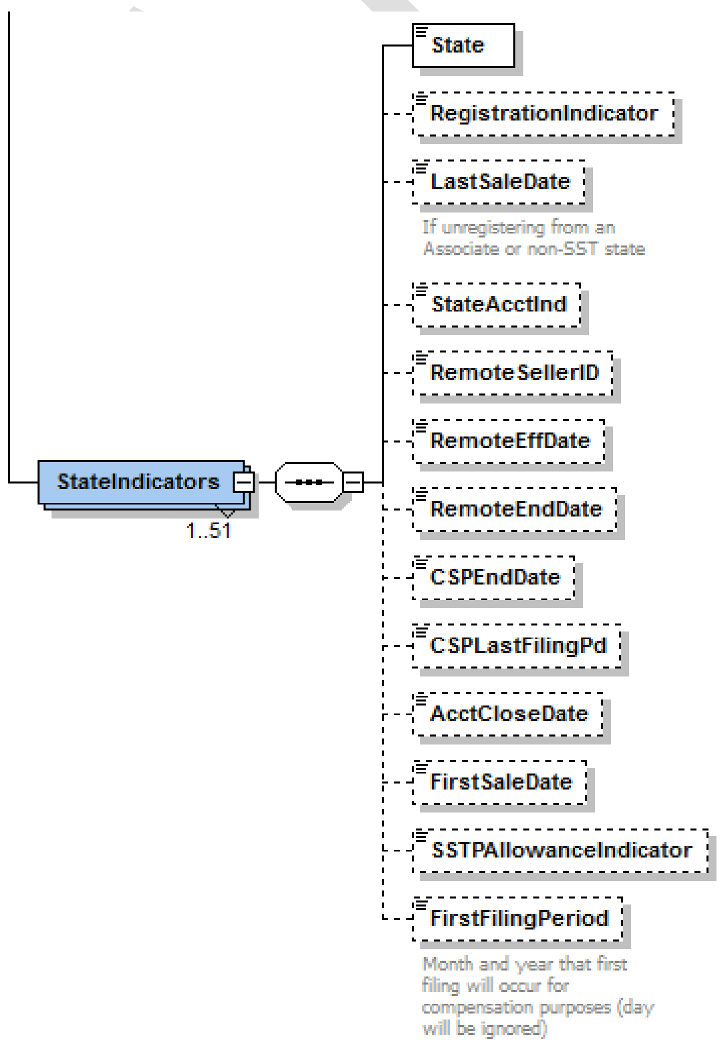
31. Business Info



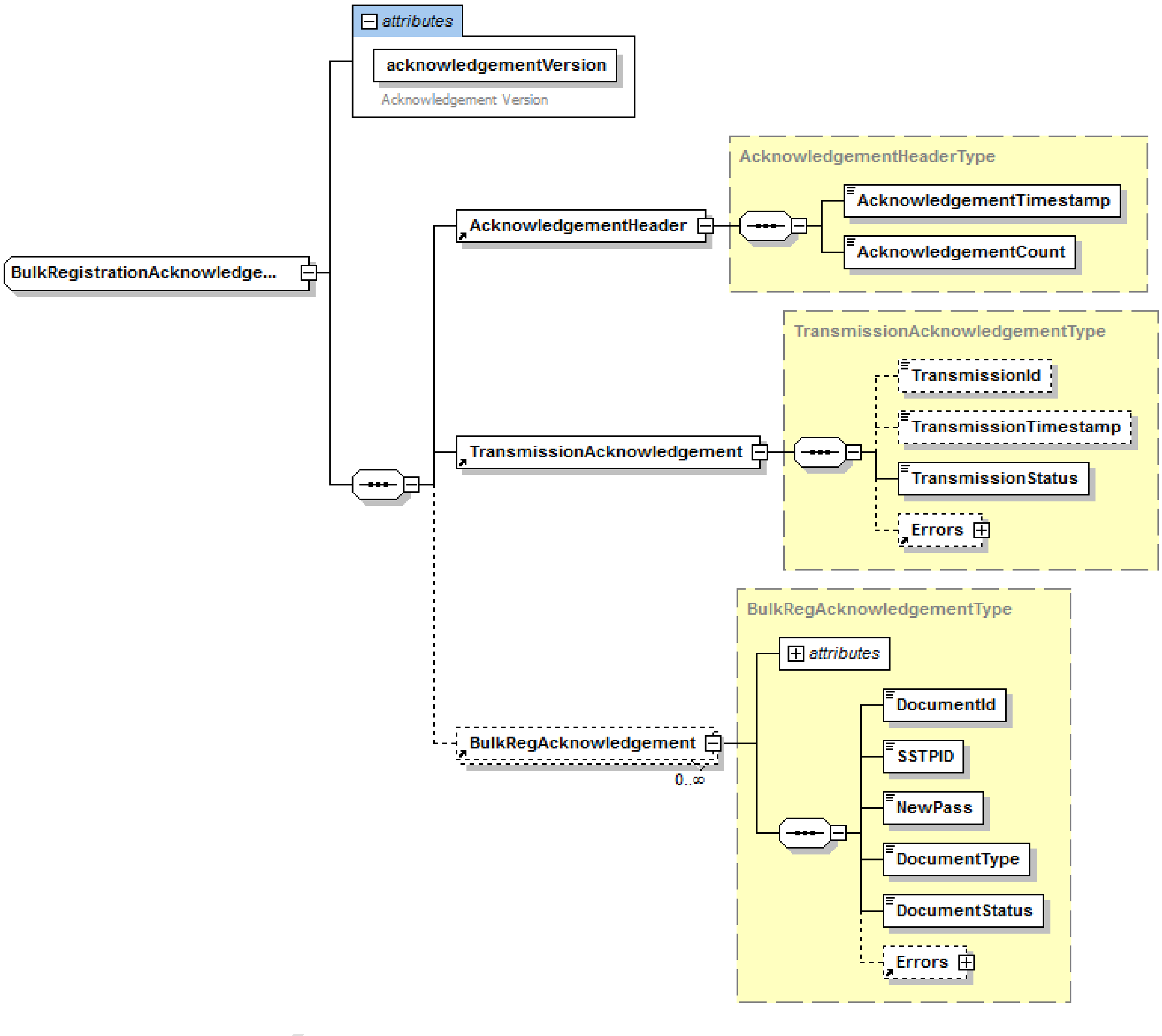
32. Technology Model



33. State Indicators



34. Bulk Registration Acknowledgement



#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
1	Account Holder Name		FinancialTransaction: StatePayment, EstimatedPayments			Name on Bank account		
2	Account Holder Type		FinancialTransaction: StatePayment, EstimatedPayments				1 - Business 2 - Personal	
3	Account Close Date	Out-of-Business or Date Unregistered Date		RegCou, BulkCou		Date Registration through SSTRS is ended for **ALL** states. Out-of-business or ending registration in ALL states. After SSTRS is ended seller no longer has access to the account. SSTID cannot be reinstated. Unless a different date is on file, the account close date is the last date the current CSP on that account will be responsible for collecting taxes. However, a return may be filed after the account close date. For Seller: Do not allow date earlier than 60 days from current date. Do not allow date earlier than the registration date. If Active CSP is on the account, seller may only select the last day of the last two months or last day of the current month. For CSP closing or ending registration through a BulkRegCou, the Account Close Date can only ~~enter~~ be the last date of the current month or the last date of the prior month. (updated 12/8/2017 to allow last day of prior month)	YYYYMMDD	19
4	ACH Credit Info		Financial Transaction			Consists of Payment Amount, Identification Number, Requested Payment Date, Addenda Record and Not IAT Transaction or Is IAT Transaction		
5	Acknowledgement Count				SSTPAcknowledgement: AcknowledgementHeader			
6	Acknowledgement Header				SSTPAcknowledgement	Consists of Acknowledgement Time Stamp and Acknowledgement Count		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
7	Acknowledgement Time Stamp				SSTPAcknowledgement: AcknowledgementHeader	The date and time, which the acknowledgement was created.		
8	Action Code	Registration Status		RegNew, RegCou BulkNew, BulkCou		Indicates type of action is performed by the RegCou and RegNew.	Length 1 **C** - contains Change information **O** - Company is Out of business **D** - Record was deleted by SST Administrator **U** - Company Unvolunteered (U cannot be used on Bulk Schemas) RegNew Action Code must be "**N**" for new registration.	
9	Addenda Record		FinancialTransaction: StatePayment,ACH CreditInfo, EstimatedPayments			Consists of Seller Identification, Tax Type code, Tax Period End Date and TXP Amount		
10	Additional Error Message				SSTPAcknowledgement: TransmissionAcknowledgement, Document Acknowledgement	Addition information on the error if needed		
11	Address Line 1 Txt	Business or Mailing Address 1		RegNew, RegCou, BulkNew, BulkCou		Mailing Address: This is line1 of the address states will mail items to. Mail address may be the sellers or a CSP. This should be a USPS deliverable address, unless foreign address. Physical address is the actual location of the seller. PO Box not allowed for Physical address. Foreign address: same as above. All addresses must go thru a standardization process for validation. If standardization process finds different address than was entered, display the standard address. Allow user to choose address standard address or to use address as entered.		1, 3

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
12	Address Line 2 - Txt	Business or Mailing Address 2		RegNew, RegCou, BulkNew, BulkCou		This is line 2 of the address. See Address Line 1.		1, 3
13	Address Type			RegNew, RegCou, BulkNew, BulkCou		Consists of either a US or a Foreign Addresses and related fields		
14	Amount		FinancialTransaction: RefundDirectDeposit, Deposítto529Account			Either Checking or Savings This Amount field is only necessary when customer requests direct deposit be split into more than one account		
15	Amount Due or Refund		SimplifiedReturnDocument: SimplifiedElectronicReturn			Amount Due or Refund = Total Tax Due + Interest Due + Penalty Due + New Prepayments - Discounts -SSTP Allowance - Prior Payments. The net amount due for which the payment should be made or, in the case of a refund, the refund (credit) amount, reported on the SER.		
16	Automated Clearing House Credit (ACH Credit)					The seller (or CSP) must contact the bank to request that they transfer funds to the state's bank in the amount the seller (or CSP) specifies.		
17	Automated Clearing House Debit (ACH Debit)					Allows the transfer of funds by authorizing (in this case) the state to electronically debit the seller's (or CSP) bank account for the amount the seller is required to report. The account will be debited only on the seller's (or CSP's) authorization and for the amount specified.		
18	Bank Account Number		FinancialTransaction: StatePayment, EstimatedPayments, RefundDirectDeposit, DepositTo529Account			Checking or Savings Account Bank Number		
19	Business Name	Business Name		RegNew, RegCou, BulkNew		This is the Legal Name of Company. This is not the Doing Business as name (DBA). During Registration - If SSN is entered, Business (Legal) Name displays as Individual Name showing fields for FIRST, MI, LAST and SUFFIX. (First and Last is required) IF FEIN or OTHER is selected Business (Legal) Name will be one field. Only SST Administrator can change.	75	7

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
20	CAS Code			RegNew, RegCou BulkNew, BulkCou (Technology Model)		Each CAS Provider is assigned a 9-digit number by the SSTGB. The first three digits will always be 'CAS'. The remaining 6 digits will be unique to the individual CAS Provider.	9	15
21	Checking		FinancialTransaction: State Payment, EstimatedPayments, Refund Direct Deposit, DepositTo 529 Account			Indicator if Checking or Savings account used		
22	CityNm	Business City or Mailing City		RegNew, RegCou, BulkNew, BulkCou		A valid city name.	22	4
23	Contact Email	Contact Email		RegNew, RegCou, BulkNew, BulkCou		Contact person may be the seller or their CSP	75	
24	Contact Name			RegNew, RegCou, BulkNew, BulkCou		Consists of FirstName, MiddleInitial, LastName, NameSuffix. Contact person may be the seller or their CSP. First and Last name are required, Middle Initial and Suffix are optional.		14
25	Contact Phone	Contact Phone		RegNew, RegCou, BulkNew, BulkCou		10-digit phone number; if foreign and have extra #s, use extension to complete.	10	34
26	SSTP Contact			RegNew, RegCou, BulkNew, BulkCou		Consists of Contact Name (First, MI, Last, Suffix), Contact Phone, Contact Phone Extension and Contact Email		
27	Contact Phone Ext	Contact Phone Extension		RegNew, RegCou, BulkNew, BulkCou		Can be up to a 4-digit number. Field is optional	4	34
28	Country Cd	Business Country or Mailing Country		RegNew, RegCou, BulkNew, BulkCou		Two-character string, comprised of two characters. IF FOREIGN COUNTRY, address fields need to reflect schema for Foreign Addresses. IF US ADDRESS, address fields need to reflect schema for Domestic Addresses.	2	2

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
29	CSP Code	Service Provider ID		RegNew, RegCou, Bulk New, BulkCou (Technology Model)		Each CSP is assigned a 9-digit number assigned by the SSTGB. The first three digits will always be 'CSP' the remaining 6 digits will be unique to the individual CSP.	9	15
30	CSP End Date	CSP End Date		RegCou, BulkCou		Last date a CSP will calculate tax on transactions. This is not last date CSP will provide services for the business as a return is still due for the last month CSP was calculating taxes. Seller that selects to stop using a CSP may select the last day of previous month, last day of current month or last day of the next month. A CSP (BulkRegCou) can enter the last day of the current month or the last day of the next two months (Bulk Rules page 12 - end managing an account) 9/15/2016 rule changed to allow CSP end date to include last day of the prior month.	YYYYMMDD	20
31	CSP Last Filing Pd	CSP Last Filing Period		RegCou, BulkCou		Last tax period a return the CSP will file for this account.	YYYYMM	
32	Data Value				SSTPAcknowledgement Transmission Acknowledgement, Document Acknowledgement	The data that was found in error.		
33	Date Received		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader BulkRegistrationDocument: BulkRegistrationHeader		The date a state receives the RegNew or RegCou, SER, or Bulk Payment Transmission.	YYYYMMDD	
34	Date Supplier		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader		Entity supplying electronic postmark - Preparer or Transmitter'		
35	DBA Name	DBA Name		RegNew, RegCou, BulkNew, BulkCou		Doing Business as name. Optional	75	

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Busi-ness Rule #
36	Discounts		SimplifiedReturnDocument:SimplifiedElectronicReturn			The total amount for a state's individual vendor discount or other discounts that reduce the total tax amount remitted to the state. This is similar to and in addition to the SSTP Allowance.		
37	Document Acknowledge-ment				SSTPAcknowledgement	Consists of Document ID, SSTP ID or State ID, Document Type, Document Status, Payment Indicator and Errors		
38	Document ID				SSTPAcknowledgement: Document Acknowledgement, Registration Document	The identification number of the original document.		
39	Document Status				SSTPAcknowledgement: Document Acknowledgement	Indicates whether the document is accepted "A" or rejected "R".		
40	Document Type				SSTPAcknowledgement: Document Acknowledgement	Indicates whether a SER or Registration is being sent or acknowledged.		
41	Document Type		SimplifiedReturnDocument			Indicates what is being filed See also Filing Type in SSTFilingHeader.	SEROnly SERWithPayment PaymentOnly PrePayment	
42	Effective Date	Last Transaction Date		RegCou, BulkNew, BulkCou		The Effective date is the current date the change was submitted and if no other dates submitted with change the date the change is effective.	YYYYMMDD	
43	Electronic Postmark		SimplifiedReturnDocument: SSTFilingHeader SSTPEfileMessageHeader	RegistrationDocument:SSTRegistrationHeader BulkRegistrationDocument: BulkRegistrationHeader		For the SSTP Filing Header and the Registration Header, the date/time that the CSP received the filing data from the seller or Electronic Return Originator.		
44	Error				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	Consists of Error ID, Xpath or Field Identifier, Error Message, Additional Error Message, Severity and Data Value		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
45	Error Count				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	Total number of Errors		
46	Error ID				SSTPAcknow-ledgement: Transmission Acknowledgement, Document Acknowledgement	Error number as described in the SST Error Document		
47	Error Message				SSTPAcknow-ledgement: Transmission Acknowledgement, Document Acknowledgement	Information on the error		
48	Errors				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	Consists of Error Count, and Error		
49	ETIN		TransmissionHeader	BulkRegistrationTransmission:TransmissionHeader		The identifier of the transmitter which equals, SSTPID for seller, CSPID for a CSP, or TIN for a preparer. Bulk Registration: Identifies CSP sending Transmission.		
50	Exemption Amount		SimplifiedReturnDocument:SimplifiedElectronicReturn:ExemptionDeductionBreakout			The total sales amount of each Exemption Type reported in the ExemptionDeductionBreakout.		
51	Exemption Deduction Breakout		SimplifiedReturnDocument:SimplifiedElectronicReturn			Break out of sales amount for the 6 exemption types: Agriculture, Direct Pay, Government, Manufacturing, Resale and Other (may be reported monthly or annually)		
52	Exemption Type		SimplifiedReturnDocument:SimplifiedElectronicReturn: ExemptionDeduction Breakout			One of the following categories: Agriculture, Direct Pay, Government, Manufacturing, Resale and Other		
53	Exemptions Deductions		SimplifiedReturnDocument:SimplifiedElectronicReturn			The total value of the exemptions or deductions (or both) reported on the SER.		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
54	Fed TIN	FEIN, SSN, or Foreign ID	SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader BulkRegistrationDocument: BulkRegistrationHeader		This is the Seller's seller Identification Number. Federal ID or Social Security Number. *SSN* should only be used if seller does not have a FEIN. *TIN-Other* (Foreign) During Registration- "Other Identification Number" will generate a number when registration is submitted which will be the SSTID replacing the "S" with "1". If Country under location or mailing address is United States and "OtherID" was selected, FEIN or SSN is required. Duplicate TIN (FEIN OR SSN) not allowed for active accounts. Do not allow FEIN with the first two digits of: 00, 07, 08, 09, 17, 18, 19, 28, 29, 49, 69, 70, 78, 79, 89, 96, 97. Do not allow SSN with first three digits of: 000, 666, 999. Do not allow SSN or FEIN to equal “123456789”, “111111111”, “222222222”, “333333333”, “444444444”, “555555555”, “666666666”, “777777777”, “888888888”, “999999999”, “000000000”, or “987654321”. Only SST Administrator can change		47 48 49
55	Fed Wire					A real-time method of moving immediate credit and supporting documentation, from bank to bank, via the Federal Reserve system through its member's bank accounts.		
56	Field Identifier				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	Identification of Field in error other than Xpath		
57	Filing Type		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader BulkRegistrationDocument: BulkRegistrationHeader		Registration Header: Indicates if seller or CSP submitted the registration and if it is a RegNew or RegCou. Filing Header: Indicates if this is a SER without payment, SER with payment, Payment only - which may be a prepayment or a return payment.	SEROnly SERWithPayment PaymentOnly PrePayment	

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
58	Financial Transaction		Financial Transaction			Consists of State Payment, Refund Direct Deposit and ACH Credit Info.		
59	FIPS Code		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader		Federal Information Processing Standards (FIPS) codes assigned by the Federal Government to identify the taxing jurisdictions within each state.		
60	First Name	Legal Name First		RegNew, RegCou, BulkNew, BulkCou		If SSN is entered Business Name is changed to Individual name which requires First and Last Name. MI and Suffix are optional. Only SST Administrator can change.	16	7
61	First Filing Period	CSP First Filing Period		BulkNew, BulkCou		The first period a CSP will begin filing returns. This will be the same month/year as the FirstSalesDate entered by the CSP. This field will not be transmitted to the states but will be on the state extract.	YYYYMM	18
62	First Sales Date	(State Name) First Sales Date		RegNew, RegCou, BulkNew, BulkCou		There are two uses for FirstSalesDate. 1. Initial registration by seller: the first date after registration the seller will make a sale in any of the full member states. Same date is used for all Full member states. Seller must select FirstSalesDate for each associate or contingent state they register for. Date may not be later than the 1st day of the calendar month that begins after 60 days or prior to current date. Seller cannot change first sales date after registered. 2. CSPs: This is the first date the CSP will start calculating and filing for the seller. BulkRegNew: date must be the current date or no more than 60 days in the future. BulkRegCous: this will be the current date or the first day of the current month. FirstSalesDate can only be updated when CSP information is updated.	YYYYMMDD	22
63	Foreign Address	Business or Mailing Address		RegNew, RegCou, BulkNew, BulkCou		Consists of AddressLine1Txt, AddressLine2Txt, CityNm, ProvinceOrStateNm, CountryCd, ForeignPostalCd, InCareOfNm Incare of line is not transmitted.		
64	Foreign Postal Code	Business or Mailing Postal Code		RegNew, RegCou, BulkNew, BulkCou			50	

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
65	FTA Code		FinancialTransaction: StatePayment, ACHCreditInfo, and EstimatedPayments: Addenda Record			FTA Tax Code Type Three-digit numeric field FTA Website Normally '041'	3	
66	Identification Number		FinancialTransaction: StatePayment, ACHCreditInfo, and EstimatedPayments			String of up to 15 digits assigned by bank trace number (optional)	Up to 15 digits	
67	InCareOfNm			RegNew, RegCou, BulkNew, BulkCou		This field will always be blank. Not used in SSTGB registration system	50	
68	Individual Name			RegNew, RegCou, BulkNew, BulkCou		Consists of FirstName, MiddleInitial, LastName and NameSuffix. Can only be used and is required when SSN is entered.		
69	Interest Due		SimplifiedReturnDocument:SimplifiedElectronicReturn			Interest assessed and due on a return filed after the due date based on individual state laws.		
70	Is IAT Transaction		FinancialTransaction: StatePayment, ACHCreditInfo, EstimatedPayments, Refund Direct Deposit			Consists of Originating DIF Name		
71	Jurisdiction Code		SimplifiedReturnDocument:SimplifiedElectronicReturn			The Federal Information Processing Standards (FIPS) code or the Special Taxing District Code (STD). Whichever is appropriate.		
72	Jurisdiction Detail		SimplifiedReturnDocument:SimplifiedElectronicReturn			The information for each jurisdiction in a state included on the SER. Includes Jurisdiction Code, Jurisdiction Tax Due Sales In State, Jurisdiction Tax due Orig Out if state and Jurisdiction Tax Due Own Purch Withdrawal.		
73	Jurisdiction Tax Due Own Purchase Withdraw		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total Jurisdiction tax due on items the owner buys or withdraws from inventory that the owner owes sales or use tax on. State law determines tax basis and amount.		
74	Jurisdiction Tax Due Sales In State		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total Jurisdiction tax due on items sold in the state and sourced within the Jurisdiction		
75	Jurisdiction Tax Due Sales Originating Out of State		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total Jurisdiction tax due on items sold from a location out of state and shipped/sourced to a jurisdiction within the state.		
76	Last Name	Legal Name Last		RegNew, RegCou, BulkNew, BulkCou		When SSN is entered, the owner name is shown as Individual name, requiring First and Last name, MI is optional.	32	7

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
77	LastSaleDate	(State Name) Last Sales Date		RegCou, BulkCou		Last date of sales if ending registration through SSTRS for an *associate/contingent* member state or non-SST state. This will also be the last date a CSP will calculate and collect tax for the seller in that associate/contingent state, however the CSP may still file a return after this date. Does not allow date earlier than 60 days from current date through last date of current month.	YYYYMMDD	24
78	Mailing Address			RegNew, RegCou, BulkNew, BulkCou		Consists of Address Type		
79	Middle Initial	Legal Name Middle		RegNew, RegCou, BulkNew,		Middle Initial of Individual Name (Legal owner) Field is optional	1	7
80	Model One			RegNew, RegCou, BulkNew, BulkCou		See Technology Model: Sellers registered through SSTRS that contract with a CSP to collect, file and pay sales taxes to member and selected associate states. Must use the SER to file and pay sales taxes.		
81	Model Three			RegNew, RegCou, BulkNew, BulkCou		See Technology Model: Not currently used - Sellers registered through SSTRS that use certified proprietary software to collect and perhaps file and pay sales taxes to member and selected associate states. May use the SER to file and pay sales taxes.		
82	Model Two			RegNew, RegCou, BulkNew, BulkCou		See Technology Model: Sellers registered through SSTRS that use certified commercial software (CAS) to collect and perhaps file and pay sales taxes to member and selected associate states. May use the SER to file and pay sales taxes.		
83	NAICS Code	NAICS		RegNew, RegCou, BulkNew, BulkCou		The North American Industry Classification System (NAICS) Code used to identify the seller's type of business. There is no method to insure this code is valid. This coding system came about as a result of the North American Free Trade Agreement and replaces the Standard Industrialization Code (SIC) system.	6	32
84	Name Suffix	Legal Name Suffix		RegNew, RegCou, BulkNew, BulkCou		Not available in SSTRS to use; It is in the BulkNew		7

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
85	New Pass	not on Extract		RegNew, RegCou, BulkNew, BulkCou		Seller created password at time of Registration. Seller can change the password. Password is case sensitive, must contain one alpha and one number. User may reset or change password. SST Administer may reset password.	min - 8 max - 10	33
86	New Prepayments		SimplifiedReturnDocument:SimplifiedElectronicReturn			Amount of additional payment included in the remittance for this return to be applied to the next period.		
87	Not IAT Transaction		FinancialTransaction: StatePayment, ACHCreditInfo, EstimatedPayments, Refund Direct Deposit			Value indicating this is not an IAT Transaction		
88	Originating DFI Name		FinancialTransaction: StatePayment, ACHCreditInfo, EstimatedPayments, Refund Direct Deposit			50 digit string for name	50 String	
89	Payment Amount		FinancialTransaction: StatePayment, EstimatedPayments, ACHCreditInfo			Total amount of a debit payment or notification of intention to make a payment.		
90	Payment Indicator				SSTPAcknowledgement: Document Acknowledgement	Indicates whether a payment was received with the document and whether or not it was accepted.		
91	Penalty Due		SimplifiedReturnDocument:SimplifiedElectronicReturn			Penalty, if assessed, included on a return that is filed after the due date in accordance with the individual state laws.		
92	Physical Address	Business Address		Reg New, RegCou, BulkNew, BulkCou		Choice Gate allows either US or Foreign Address. Physical Address is the street address (no PO Box allowed).		
93	Preparer		SimplifiedReturnDocument: SSTFilingHeader			The type of preparer (seller or CSP) for the SER or for a bulk payment by the CSP, for the seller. Contains Preparer Name, Preparer TIN, Preparer Phone, Preparer Email Address and SoftwareID.		
94	Preparer Email Address		SimplifiedReturnDocument: SSTFilingHeader SSTP Efile Types			The email address of the person (or CSP) who prepared the SER or the Bulk Payment (CSP only) for the seller.		
95	Preparer Name		SimplifiedReturnDocument: SSTFilingHeader SSTP Efile Types			The name of the person (or a name within the CSP's) organization) who prepared the SER for the seller.		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Busi-ness Rule #
96	Preparer Phone		SimplifiedReturnDocument: SSTFilingHeader SSTP Efile Types			The telephone number of the person (or Certified Service Provider (CSP)) who prepared the SER for the seller.		
97	Preparer TIN		SimplifiedReturnDocument: SSTFilingHeader SSTP Efile Types			Consists of the Type TIN and the Fed TIN		
98	Prior Payments		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total amount of previously remitted payments to apply to this period's tax liability based on that state's laws.		
99	Province or StateNm	Business or Mailing State or Province		RegNew, RegCou, BulkNew, BulkCou		Only used with a Foreign Address If Country is Canada, List provinces in State drop down box. (Same as MeF) If Country is Mexico, List states of Mexico in State drop down box. (Same as MeF) If Country is country other than US, Canada, Mexico, no drop down box for state.	50	
100	Receipt Header				SSTReceipt	Contains Receipt Timestamp		
101	Receipt Time Stamp				SSTReceipt	The date and time transmission was received.	Format = dateTime	
102	Receipt Version				SSTReceipt	Version of the current schema, i.e., SST2015V01		
103	RegistrationCou			SSTRegistrationDocument:RegistrationInformation		Consists of Action Code, RegistrationEntity, Business or Individual (Legal) Name, DBA Name, NAICS, Physical Address, Mailing Address, Seller Phone and Ext, SSTPContact, State Incorporated, Technology Model, Registration Indicator, Last Sale Date (for Associate States only), State Acct Ind, Remote Seller Id, Remote Eff Date, Remote End Date, CSP End Date, CSP Last Filing Pd, AcctCloseDate, FirstSalesDate, SSTP Allowance Indicator, New Pass and Effective Date. RegCou is only transmitted when a change is made to an account. The RegCou will contain all current information for the account. Changes will not be identified.		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
104	Registration Document			SSTRegistration Transmission: Registration Document		Contains the Document ID, Document Type, SST Registration Header and Registration Information		
105	Registration Entity	Entity Type		RegNew, RegCou, BulkNew		Type of Entity of the Business (Legal) Name.	**CO** Corporation **GO** Government **LL** Limited Liability **OT** Other **PA** Partnership **SP** Sole Proprietor **TR** Trusts	30
106	Registration Indicator	(State Name) Registration Indicator		RegNew, RegCou, BulkNew, BulkCou		A system generated code based on information submitted during registration. Default is "Seller is a New Registrant" and "has sales" for all SST Full Member states (R). For each SST Full Member state and any associate/contingent states seller is registering in, the seller may indicate for each state: 1. if they are already registered in that state. 2. if they do not sales in that state. Sellers not having sales in a state are not required to file returns. BulkRegNew - may only use indicators "R" or "A"	Length 1 **R** - Registering to file and pay in this state **X** - Registering in this state, will not file or pay at this time **A** – Already registered to file and pay in this state **Z** – Already registered in this state, will not file or pay at this time **N** – Default for not registering, only used for Associate or Non-SST States	39
107	Registration Information			Registration Document		Consists of the StreamlinedRegistrationNew or StreamlinedRegistrationCou		
108	RegistrationDate	Registration Create Date		RegNew, RegCou, BulkNew, BulkCou		Date registration was submitted into SSTRS	YYYYMMDD	23
109	RemoteEffDate			RegNew, RegCou, BulkNew, BulkCou		Not Currently Used	10 YYYYMMDD	
110	RemoteEndDate			RegCou, BulkCou		Not Currently Used	10 YYYYMMDD	

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
111	RemoteSellerID	(State Name) Remote Seller		RegNew, RegCou, BulkNew, BulkCou		Not Currently Used	Length 1 **Y** - Remote Seller **N** - Not Remote Seller	40
112	Requested Payment Date		FinancialTransaction: State Payment, EstimatedPayments, ACHCreditInfo			Date seller or CSP desires for the payment to be transferred from their bank account to the state's bank account.	YYYYMMDD	
113	Return Type		SimplifiedReturnDcoument:SimplifiedElectronicReturn			Indicates if the return is original or amended.	**O** - Original Return **A** - Amended Return	
114	Routing Transit Number		FinancialTransaction: State Payment, EstimatedPayments, Refund Direct Deposit, DepositTo529 Account			The basic routing number, devised by the American Bankers Association (ABA) to identify the specific financial institution (bank, savings and loan, or credit union) responsible for the payment of a negotiable instrument. This is the nine-digit number assigned to the institution.		
115	Savings		FinancialTransaction: State Payment, EstimatedPayments, Refund Direct Deposit, DepositTo529 Account			Indicator if savings account is used		
116	Seller Phone	Business Phone		RegNew, RegCou, BulkNew, BulkCou		10 digit phone number; if foreign and have extra #s, use extension to complete.	10	34
117	Seller Phone Extension	Business Phone Extension		RegNew, RegCou, BulkNew, BulkCou		up to a 4 digit number	4	34
118	Severity				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	Indicate the severity of the error		
119	Simplified Electronic Return (SER)		SimplifiedReturnDocument			The return SSTGB created for sellers and CSPs to file and pay sales taxes to SST full member and associate and contingent states. Any seller may use a SER, it is not limited to those registered through SSTRS.		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
120	Simplified Return Document Type		SimplifiedReturnDocument			Contains the Document ID, Document Type, SST Filing Header, and will include a Simplified Electronic Return with or without a Financial Transaction or only a Financial Transaction for a stand-alone payment.		
121	Software ID		SimplifiedReturnDocument: SSTFilingHeader			A unique identifier assigned to Certified Automated System (CAS), Certified Application Software (CAS), or Certified Proprietary Software (CPS).		
122	Special Taxing Jurisdiction (STJ)					A special taxing district/jurisdiction indicated in the Boundary Database with a corresponding entry in the Rate Table.		
123	SSTP Acknowledgement Type				SSTPAcknowledgement	Consists of Acknowledgement Header, Transaction Acknowledement, and Document Acknowledgement		
124	SSTP Allowance		SimplifiedReturnDocument:SimplifiedElectronicReturn			An amount, contracted between the Governing Board and a seller or CSP to be retained by the seller or CSP, for the transactions processed. This allowance is taken on the SER as a reduction to the total tax due.		
125	SSTP Allowance Indicator	(state name) Volunteer Seller Status		RegNew, RegCou, BulkNew, BulkCou		Indicates if the seller is a volunteer as defined in the CSP contract for purposes of the CSP receiving the SST Allowance (compensation) for that seller. The "N" indicator also identifies accounts that are not Model 1 sellers. The CSP is performing services for these sellers, but the seller does not receive the liability/audit relief of a Model 1 seller. Defaults to Undetermined. During Registration (BulkRegNew) CSP can enter allowance indicators Volunteer, Nonvolunteer, or Undetermined. During Update (BulkRegCou) CSP can change allowance indicator to Volunteer or Nonvolunteer. CSP cannot change to Undetermined. The Seller cannot change the Allowance indicator. SST Admin can change to Volunteer, Nonvolunteer, or Undetermined.	Length 1 **U** - Undertermined **Y** - Volunteer - Retain Allowance **N** - Not a volunteer - no SST Allowance	6

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
126	SSTP Contact			RegNew, RegCou, BulkNew, BulkCou		Includes Contact Name, Contact Phone, Contact Email		
127	SST Filing Header		SimplifiedReturnDocument			Document header for SST SER filings or payments. Includes: Electronic Postmark, Tax Period Start Date, Tax Period End Date, Date Received, Preparer, Filing Type, SSTPID or StateID, Seller TIN, FIPS Code.		
128	SSTPID	SSTID	SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader BulkCou	SSTPAcknowledgement:Document Acknowledgement	A system generated unique 9 character alpha/numeric identifier assigned to sellers that register through the SSTGB. System generated ID which is a 9-character alphanumeric string with the 1st letter being an “S” followed by 8 numbers. This number cannot be reused.		42
129	SST Receipt		SSTReceipt Also See Receipt and Transmission Receipt			A brief transmission sent to a filer within the same communications session as the efiled return or payment. Consists of the Receipt Version (Version of current schema), Receipt Header and Transmission Receipt	This number cannot be reused.	
130	SST Registration Header			RegistrationDocument		Consists of Electronic Post Mark, Date Received, Filing Type, SSTPID, TIN and FIPS Code		
131	State			BulkNew, BulkCou: State Indicators		Identifies which state information is for. Two digit State abbreviation. US Address: State drop down box lists full name of states in Alpha order. (2 character US Postal abbreviation is used in Schema.) Default to <Select State>.	2	
132	State Abbreviation Cd	Business or Mailing State or Province		RegNew, RegCou, BulkNew, BulkCou		The two-alpha character abbreviation for a state. (UT for Utah, or WI for Wisconsin)	2	4
133	State Incorporated	State of Organization		RegNew, RegCou, BulkNew BulkCou		State in which the seller is incorporated. System allows 2 letter state abbreviation or "OT" for NON US Business.	2	~~43~~24
134	State Acct Ind	(State name) State Account Indicator		RegCou, BulkCou		Indicates if the seller wants to remain licensed in a state when ending their registration through SSTRS.	Length 1 **Y** - Remain Registered **N** - End Registration	

#	Name on Schema	**Query Extract Field Name**	**SSTSimplifiedReturn Transmission Schema**	**SSTRS or Bulk Registration Transmission Schema**	**SSTP Acknowledgement or SSTReceipt Schemas**	**Definition**	**Codes Field Length Format**	Busi-ness Rule #
135	State Payment		Financial Transaction			Consists of Checking or Savings, Routing Transmit Number, Payment Amount, Identification Number, Account Holder Name, Account Holder Type, Requested Payment Date, Addenda Record and Notl AT Transaction or Isl AT Transaction.		
136	State Tax Due Food Drug		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total state tax due on Food or Drug items. A different rate than the general state tax rate.		
137	State Tax Due Own Purch Withdraw		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total state tax due on items the owner buys or withdraws from tax unpaid inventory that the owner owes sales or use tax on. Tax is based on individual state's laws.		
138	State Tax Due Sales In State		SimplifiedReturnDocument:SimplifiedElectronicReturn			State tax due on items sold and sourced within the state.		
139	State Tax Due Sales Orig Out of State		SimplifiedReturnDocument:SimplifiedElectronicReturn			State tax due on items sold from a location out of state and shipped/sourced to the state.		
140	State Tax Type Code		FinancialRecord: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			Two digit numeric value	2	
141	StateID		SimplifiedReturnDocument: SSTFiling Header		SSTPAcknowledgement: Document Acknowledgement	A state assigned ID for that seller or CSP for use in reporting to that state.		
142	State Registration Indicator			BulkNew: StateRegistrationIndicator		Individual state information. BulkRegNew StateRegistrationIndicators consists of: State, RegistrationIndicator, FirstSalesDate, RemoteSelleriD, RemoteEffDate, SSTPAllowanceIndicator.		
143	State Indicators			BulkCou: StateIndicators		Individual state information. BulkRegCou State Indicators consists of State, RegistrationIndicator, LastSaleDate, StateAcctInd, RemoteSellerID, RemoteEffDate, RemoteEndDate, CSPEndDate, CSPLastFilingPd, AcctCloseDate, FirstSalesDate, SSTPAllowance Indicator, FirstFilingPeriod		
144	Streamlined Registration COU (Registration Change)			RegCou		A RegCou is used to transmit account data to the state when a change was made to the account information. The RegCou will transmit all current date from the account. The change made will not be identified.		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
145	Sub Amount		FinancialRecord: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			Consists of ACH Amount Type. Total of 10 digits with 2 decimals		
146	Sub Amount Type		FinancialRecord: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			One Digit indicating the Sub Amount Type		
147	Tax Implementation Group for E-commerce Requirements Standardization (TIGERS)					A work group of the American National Standards Institute (ANSI) Accredited Standards Committee X12 charged with the development of data exchange standards for the United States. TIGERS was jointly founded in 1994 by the Federation of Tax Administrators (FTA) and the Internal Revenue Service (IRS).		
148	Tax Period End Date		SimplifiedReturnDocument: SSTFilingHeader			The last day of the tax period a SER is filed for or a Payment is made for.	YYYYMMDD	
149	Tax Period Start Date		SimplifiedReturnDocument: SSTFilingHeader			The first day of the tax period a SER is filed for or a Payment is made for.	YYYYMMDD	
150	Tax Type Code		FinancialTransaction: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			Consists of FTA Code and State Tax Type Code		
151	Taxable Sales		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total sales amount less total exemption/deductions		
152	Seller Identification Number		FinancialTransaction: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			SSTID or State ID	Up to 15 digits	
153	Tech Model Type	See Technology Model		RegNew, RegCou, BulkNew, BulkCou		ModelOneType attribute includes the CSP Code ModelTwoType attribute includes the CAS Code Example: <TechnologyModel> <ModelOne CSPCode="CSP000999" />		

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
154	Technology Model	Technology ModelType; Service Provider ID; and Service Provider Name		RegNew, RegCou, BulkNew, BulkCou		Includes the Model type and the CSP/CAS code based on the Model Type. *Example: <TechnologyModel> <ModelOne CSPCode="CSP000999" />* Sellers registering directly through SSTRS will be registered with Technology Model 4 (None). The CSP is responsible for updating the Technology Model once they are under contract (BulkCou). A CSP should include the Technology Model in a BulkRegNew when registering sellers they are under contract with.	**ModelOne** - use a CSP **ModelTwo** - use a CAS **ModelThree** - Use Proprietary system **None** - no CSP or CAS	16
155	TIN (Seller Identification Number)		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader BulkRegistrationHeader		Consists of the Type TIN and the FedTIN. This may be Federal ID, Social Security Number, or Other.		47 48 49
156	Total Sales		SimplifiedReturnDocument:SimplifiedElectronicReturn			Total of all Sales		
157	Total Tax Due		SimplifiedReturnDocument:SimplifiedElectronicReturn			Sum of all state and jurisdiction/local taxes due.		
158	Transmission Acknowledgement				SSTPAcknowledgement	Consists of Transmission ID, Transmission Time Stamp, Transmission Status and Errors		
159	Transmission ID		SSTSimplifiedReturnTransmission: TransmissionHeader		SSTReceipt SSTPAcknowledgement: Transmission Acknowledgement	Comprised of four elements: Transmitter ID, five character Julian Date of the transmission, a six-character unique identifier (usually a sequential number), a timestamp indicating when the transmission was created.		
160	Transmission Receipt				SSTReceipt, see Receipt and SST Receipt	A brief transmission sent to a filer within the same communications session as the efiled return or payment. Consists of the Transmission ID and Transmission Timestamp of the original filing and the Receipt Timestamp when it was received.		
161	Transmission Status				SSTPAcknowledgement: Transmission Acknowledgement	Indicates whether the transmission was accepted "A" or rejected "R".	**A** - Accepted **R** - Rejected	

#	Name on Schema	Query Extract Field Name	SSTSimplifiedReturn Transmission Schema	SSTRS or Bulk Registration Transmission Schema	SSTP Acknowledgement or SSTReceipt Schemas	Definition	Codes Field Length Format	Business Rule #
162	Transmission Time Stamp		SSTP Efile Message Header		SSTReceipt SSTPAcknowledgement: Transmission Acknowledgement	The date and time which the transmission header was received.	Format = dateTime	
163	TXP Amount		FinancialRecord: Addenda Record for: StatePayment, ACHCreditInfo, EstimatedPayments			Consists of Sub Amount Type and Sub Amount		
164	Type TIN		SimplifiedReturnDocument: SSTFilingHeader	RegistrationDocument:SSTRegistrationHeader		Indicate the type of TIN transmitted. SSN or FEIN		
165	US Address			RegNew, RegCou, BulkNew, BulkCou		Consists of AddressLine1Txt, AddressLine2Txt, CityNm, StateAbbreviationCd, ZipCd, and InCareOfNm InCareOfNm-Not used in SSTRS.		
166	Xpath				SSTPAcknowledgement: Transmission Acknowledgement, Document Acknowledgement	The Xpath expression indicating the full path from the root of the error to the error element or attribute		
167	ZIPCd	Business Postal Code or Mailing Postal Code		RegNew, RegCou, BulkNew, BulkCou		5 or 9 digit US zip code; up to 35 characters for Foreign code.	9 - US 35- Foreign	33

A motion by Wyoming to amend the SSTGB Bylaws to allow the Governing Board to enter into contracts with nonmember states and to require a ¾ vote approval of those contracts.

BYLAWS OF THE STREAMLINED SALES TAX GOVERNING BOARD, INC.

A Nonprofit Corporation

Adopted October 1, 2005

(Amended April 19, 2006, August 30, 2006, June 23, 2007, September 20, 2007, May 12, 2009, October 6, 2011, ~~and~~ May 24, 2012, and May 3, 2018)

Article One – Name and Purpose

Section 1. *Name.* The name of this organization shall be the Streamlined Sales Tax Governing Board, Inc., and its membership shall be determined under these bylaws as set forth in Article Three.

Section 2. *Purpose.* The object and purpose of this organization shall be to administer and operate the Streamlined Sales and Use Tax Agreement as Amended (the "Agreement") under authority conferred in the Agreement.

Section 3. *Powers.* The Streamlined Sales Tax Governing Board, Inc. (hereinafter referred to as "Governing Board") may take any action that is necessary and proper to fulfill the purposes of the Agreement including but not limited to employing staff, advisors, consultants or agents and allocating the cost of administering the Agreement among the Member States and nonmember states with whom the Governing Board may enter into contracts. Procedures for amending the Agreement are contained in the Agreement.

Section 4. *Conflicts.* If there is a conflict between the bylaws and the Agreement, the Agreement controls. If there is a conflict between a rule to the Agreement and the bylaws, the rule controls.

Compiler's note: Section 4 was added October 6, 2011 via BL11001. This amendment became effective upon its adoption.

Article Two – Offices

Section 1. *Offices.* The principal office of the Corporation shall be located within or without the State of Indiana at such place as the Board of Directors shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board of Directors may designate. The Corporation shall continuously maintain within the State of Indiana a registered office at such place as may be designated by the Board of Directors.

Section 2. *Records.* Records of all transactions and meetings of the Governing Board and Executive Committee, as well as all corporate records, shall be maintained at the business office.

Article Three - Membership

Section 1. *Composition of the Governing Board.* The Governing Board shall be composed of Member States, Contingent Member States and Associate Member States

Compiler's note: ", Contingent Member States" was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 2. *Eligibility and Requirements.* Membership on the Governing Board shall be open to any state of the United States of America, the District of Columbia and the Commonwealth of Puerto Rico that is in compliance with the Agreement as provided in Section 805. Any such entity desiring membership must submit a petition for membership and a Certificate of Compliance to the Governing Board. The application must be in accordance with Sections 801 through 804 of the Agreement.

Section 3. *Member Status.* After approval of a state's petition for membership, such state shall be called a Member State.

Section 4. *Contingent Member Status.* A state may be admitted to the Governing Board as a Contingent Member pursuant to the terms and conditions adopted and made part of the Agreement.

Compiler's note: Section 4 was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 5. *Associate Member Status.* A state may be admitted to the Governing Board as an Associate Member pursuant to terms and conditions adopted and made part of the Agreement.

Section 6. *Annual Recertification***.** Each Member State shall annually re-certify that such state is in compliance with all terms of the Agreement pursuant to Section 803. A state that is a Contingent Member State or an Associate Member State shall annually re-certify that such state is in compliance with the terms of the Agreement pursuant to Sections 801.2 and 801.3 respectively.

Compiler's note: Section 6 was amended October 6, 2011 via BL11001 to add "A state that is a Contingent Member State or an Associate Member State shall annually re-certify that such state is in compliance with the terms of the Agreement pursuant to Sections 801.2 and 801.3 respectively." and the sentence "A state which is an Associate Member on January 1, 2007 will have until December 31, 2007 to come into compliance with the Agreement, at which time each such Associate Member's compliance with the Agreement will be evaluated unless the state had earlier been determined to be in compliance with the Agreement." was removed. This amendment became effective upon its adoption

Section 7. *Payment of Annual Cost Allocation.* Member, Contingent Member and Associate Member States must pay the annual cost allocation, hereafter referred to as dues, adopted at an annual meeting of the Governing Board in order to remain in good standing.

Compiler's note: ", Contingent Member" was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 8. *Number of Representatives to Governing Board.* Each Member, Contingent Member or Associate Member State may appoint up to four representatives to the Governing Board as described in Section 806 of the Agreement. Each Associate Member, Contingent Member or Member State shall have only one vote.

Compiler's note: ", Contingent Member States" was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 9. *Expulsion or Withdrawal.* Any Member, Contingent Member or Associate Member State failing to properly comply with the terms of the Agreement or failing to pay the annual cost allocation may be expelled upon action of the Governing Board. Member States, Contingent Member States or Associate Member States may also be permitted to withdraw from the Governing Board. Both expulsion and withdrawal are described in the Agreement, Section 808.

Compiler's note: ", Contingent Member" and ", Contingent Member States" were added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 10. *Restrictions on Contingent Member States and Associate Member States.* Contingent Member States and Associate Member States will have all the rights and privileges of Member States under the Agreement except the following restrictions shall apply:

a. An Associate Member State will not be allowed to vote on amendments to or interpretations of the Agreement.

b. A Contingent Member State and an Associate Member State will not have access to the names of sellers or other data provided by volunteering sellers through the central registration system unless the seller has determined that it will collect on sales into the Associate Member State.

c. A Contingent Member State and an Associate Member State may not receive information from the Governing Board on companies being audited by the Governing Board unless the State is a part of the audit.

d. A representative of an Associate Member State shall not be eligible to serve on the Compliance Review and Interpretations Committee.

e. An Associate Member State may not vote to determine if a petitioning state is compliance with the Agreement.

Compiler's note: "Contingent Member State" information was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 11. *Advisor States.* States that previously held status as Implementing States shall become non-member, Advisor States to the Governing Board upon the expiration of the duties of the Streamlined Sales Tax Implementing States. A state that was not previously an Implementing State may become an Advisor State by following the procedures set forth in SSUTA, Section 801.4(4). Any question over whether a state qualifies as an Advisor State shall be resolved by a majority vote of the Governing Board.

Advisor States shall serve in an *ex officio* capacity on the Governing Board with non-voting status, but may speak to any matter presented to the Governing Board for consideration. Each Advisor State may appoint up to four representatives to the Governing Board.

An Advisor State will not have access to the names of sellers, any seller information or other data provided by volunteering sellers through the central registration system. An Advisor State shall not receive information from the Governing Board or its Member States on companies being audited by the Governing Board.

An Advisor State may not participate in a closed session of the Governing Board or its committees unless invited by the committee chair.

Compiler's note: Section 4 was added October 6, 2011 and existing Sections 4, 5, 6, 7, 8, 9, and 10 were renumbered accordingly via BL11001 and became effective upon its adoption.

Article Four - Meetings of the Governing Board

Section 1. *Quorum.* A two-thirds majority of the membership shall constitute a quorum. A quorum is required to conduct the business of Governing Board at any meeting. For the purposes of determining whether a quorum is established, at least one representative of a Member, Contingent Member or Associate Member State (hereinafter referred to as "State") must be participating in the meeting, either in person or electronically.

Compiler's note: ", Contingent Member" was added October 6, 2011 via BL11001 and became effective upon its adoption.

Section 2. *Annual Meeting.* An annual meeting of the membership of the Governing Board shall be held once each year for the purpose of electing Officers and Executive Committee Directors, for approving an annual budget, and for the transaction of such other business as may come before the meeting. The annual meeting shall be held at such time and place as determined by the Executive Committee. Notice provisions in Section 5 of this Article apply.

Section 3. *Special Meetings.* Special meetings of the Governing Board may be called by the Officers, the Executive Committee, or by petition of forty percent of the Member States. Such meetings shall be held in a State at such time and place as determined by the Executive Committee. Notice provisions in Section 5 of this Article apply.

Section 4. *Emergency Meetings*. Emergency meetings of the Governing Board may be called by the President, the Executive Committee, or by petition of forty percent of the Member States. Such meetings shall be held at such time and place as determined by those who called the meeting. The purpose of the meeting must be contained in the notice, and no other business may be transacted. Electronic participation will be allowed.

The thirty day notice requirements in Section 5 may be waived, although each State must be notified, and public notice must be given as far in advance as possible.

Compiler's note: The word "membership" was changed to "Member States" October 6, 2011 via BL11001 and became effective upon its adoption.

Section 5. *Notice of Meetings.* Except in the case of an emergency meeting, or a meeting in which the Agreement is to be amended, written notice stating the place, day, and hour of any special or annual meeting of the Governing Board shall be delivered thirty days in advance by mail or electronically to each State entitled to vote at such meeting, and the Executive Committee shall provide public notice not less than thirty days before the date of such meeting. In the case of a special meeting, the notice shall contain a statement of the purpose of the meeting. Notice of any meeting at which proposals to amend the Agreement will be considered must follow the procedures outlined in Section 901 of the Agreement.

Section 6. *Voting Rights.* Each State of the Governing Board shall be entitled to one vote on each matter submitted to a vote at a meeting. For a vote for Officers and Executive Committee Directors, each State shall have one vote for each Officer or Director to be elected.

All actions taken by the Governing Board, except as otherwise provided in the Agreement, shall require an affirmative vote of a majority of those present and voting.

A three-fourths vote of the Member States and Contingent Member States is required to (1) approve a state's petition for membership, (2) amend the Agreement, (3) to act on a request for interpretation of the Agreement, (4) adopt an Interpretive Rule, (5) find a state not-in-compliance with the Agreement, excluding the state in question, ~~and~~ (6) act on a request that a tax is a prohibited tax, excluding the state in question, and (7) approve any contracts with nonmember states. The adoption of a resolution to sanction a State for noncompliance with the Agreement shall require the affirmative vote of three-fourths of the entire Governing Board, excluding the state that is the subject of the resolution.

Compiler's note: On October 6, 2011 this Section was amended to add "Contingent Member" everywhere it is listed, added the last two vote requirements in Section 6 and deleted the former Section 7, which was added to Governing Board Rule 901, via BL11001 and became effective upon its adoption.

A motion by Wyoming to amend the SSTGB Bylaws to allow the Governing Board to enter into contracts with nonmember states and to require a ¾ vote approval of those contracts.

Article Five – Officers

Section 1. *Titles and Duties.* The officers of Governing Board shall be the President, First Vice-President, Second Vice-President and Secretary/ Treasurer. The President shall preside at all meetings of the Governing Board and Executive Committee. The First Vice-President, the Second Vice-President and the Secretary/Treasurer shall perform such duties as the President may from time to time assign or delegate to them.

The President shall prepare and present an annual report of the work of Governing Board to the States at the annual meeting. The President shall have such other powers that may be reasonably necessary to the performance of the office.

The First Vice-President shall serve in the President's absence.

The Second Vice-President shall coordinate such projects as the President assigns.

The Secretary/Treasurer shall see that all records, reports, and certificates required by law are properly kept or filed and shall see that the financial records of the organization are kept in accordance with generally accepted accounting principles and that an annual report of the finances of the organization is presented at the annual meeting. The Secretary/Treasurer shall also chair the finance committee and shall assist in the preparation of an annual budget.

Section 2. *Election and Term of Office.* The four officers shall be directly elected by the Governing Board at the annual meeting from a slate put forth by the Nominating Committee. They shall serve a one-year term, but may serve three additional one-year terms as officers, but not more than four years consecutively in any office or combination of offices. The term of office shall begin on January 1 following the annual meeting. They shall hold office until their successors are selected, notwithstanding the term limits set forth herein.

Section 3. *Vacancies.* Should the office of President become vacant during a term or upon completion of the term, the First Vice-President shall fill the vacancy. Should the office of First Vice-President become vacant during a term, the Second Vice-President shall fill the vacancy. Should any of the other offices become vacant, the Executive Committee shall appoint a representative of a State of the Governing Board to fill the vacancy unexpired term. Officers who fill vacancies shall serve the unexpired portion of the term of the predecessor in that office and may be elected to the same office for a full term.

Section 4. *Succession.* When possible, the Nominating Committee shall put forth a slate of candidates for the offices of President, First Vice-President and Second Vice-President that allows for the succession of officers from Second Vice-President to First Vice-President to President, subject to election by the Governing Board. Nothing in this section shall prevent an officer from serving more than one term in the same office, but in no case shall an individual serve more than three additional years as provided in Section 2. Nothing in this section shall prevent the Nominating Committee from altering this planned succession if circumstances require.

Section 5. *Resignation.* The Officers shall be deemed to have resigned if their state is no longer a Member, Contingent Member or Associate Member State. Officers may resign from the office without having to resign as representatives to the Governing Board. They may not remain on the Executive Committee.

Section 6. *Compensation.* Officers shall not, by virtue of the office, be entitled to receive any salary or compensation from the Governing Board, but nothing shall be construed to prevent any officer from receiving reimbursement for any expenses incurred on behalf of Governing Board.

Compiler's note: On October 6, 2011 "additional" was added to Section 4 and the "deemed" language was added to Section 5 via BL11001 and became effective upon its adoption.

Article Six – Executive Committee

Section 1. *Powers and Duties*. The general affairs of the Governing Board shall be managed by an Executive Committee in accordance with policies approved by the Governing Board. The immediate past president of the Governing Board shall be an *ex officio* member of the Executive Committee with voting rights. The executive director of the Governing Board shall be an *ex officio* member of the Executive Committee with no voting rights. The Executive Committee is granted authority to:

1. Appoint an executive director of the Governing Board for such term as the Executive Committee shall deem appropriate and to fix compensation for the executive director and any and all staff determined to be necessary to conduct the business of the Governing Board.
2. Fix the duties and responsibilities of the executive director, and through the executive director, the work, policies and compensation of subordinates.
3. Provide for the raising of revenue, other than dues, and the discharge of obligations incurred by its employees.
4. Provide for the regular dissemination of information to the membership, the Governing Board and to the public.
5. Enter into contracts and obligations for the attainment of the ends and purposes of the Governing Board in areas specifically delegated by the Governing Board and in accordance with their policies.

Section 2. *Number and Terms.* There shall be five Directors on the Executive Committee in addition to the four Officers. The term of office for a Director shall be two years. Directors and Officers will be elected annually at the annual meeting of the Governing Board. Three Directors will be elected in odd-numbered years, two directors in even-numbered years, except that in the year the Governing Board is formed, all five Directors will be elected, but the Directors whose terms would ordinarily expire the year following formation of the Governing Board will be elected for one-year terms. No Director may serve more than two complete two-year consecutive terms, except those Directors filling an unexpired term or an initial one-year term shall be eligible to serve a full term if elected. All Directors will serve until their respective successors are elected.

Section 3. *Representation of States*. The Nominating Committee shall assure geographic representation and diversity on the slate of Officers and Directors for the Executive Committee.

Section 4. *Qualifications.* Any duly appointed representative of a State is eligible to serve as a Director or Officer, except that no more than one Officer or Director shall be elected from a State at any given time.

Section 5. *Regular Meetings*. The Executive Committee shall meet each calendar quarter unless the President of the Governing Board determines that more frequent meetings are needed. These meetings shall be at such times and at such places as designated by the President of the Governing Board. Notice of meetings shall be given in accordance with Section 7 in these bylaws.

Section 6. *Special Meetings.* Special meetings of the Executive Committee may be called by the President. The time and place of special meetings shall be fixed by the President, and if desirable, may be held via teleconference. Notice of special meetings must be given 10 days in advance to the public, Executive Committee and to the States. The meeting notice must include the items to be discussed, and no other business may be transacted. In case of an emergency meeting, the 10-day notice requirement may be waived, although every member of the Executive Committee must be notified, and notice to the States and the public must be given as far in advance as possible.

Section 7. *Notice.* The Executive Committee members shall be given at least 30 days notice prior to any regular meeting. Public notice shall also be given 30 days in advance of the meeting. Any Officer or Director may waive notice of a meeting. Notice requirements for special meetings are included in Section 6.

Section 8. *Voting.* Each Officer or Director shall have one vote. Since Officers and Directors are elected as individuals, not representatives of states, voting by a proxy delegate from the Officer or Director's state is not allowed when the Officer or Director is absent.

Section 9. *Manner of Acting.* Five affirmative votes shall be required to approve any action of the Executive Committee.

Section 10. *Vacancies.* When any Officer or Director's position becomes vacant between annual meetings due to resignation or loss of position as a duly appointed representative of a State to the Governing Board, the vacancy shall be filled by the Executive Committee from recommendations of the Nominating Committee. In the case of incapacity or inability to serve of any Officer or Director, the President (or in the case of the President, the First Vice-President) shall declare that a vacancy exists, and the

Executive Committee shall act to confirm the vacancy and fill the position as described in Article V, Section 3, and Article VII, Section 1.

Section 11. *Quorum.* More than fifty percent of the Executive Committee shall be present, in person or electronically, to constitute a quorum and to vote. A quorum is not required to discuss business of the Executive Committee, but is required for the Executive Committee to vote.

Compiler's note: On October 6, 2011 the former subdivision 4 of Section 1 (dealing with the budget) was repealed and Section 11 was added via BL11001 and became effective upon its adoption.

Article Seven – Standing Committees of the Governing Board

Section 1. *Nominating Committee.* The Governing Board shall elect a Nominating Committee of eight persons who are delegates to the Governing Board at the annual meeting from a single slate of nominees representative of the States. Candidates for members of the Nominating Committee may also be nominated from the floor at the annual meeting with the consent of the person being nominated, and are not limited to those recommended by the Nominating Committee. Any person nominated from the floor must also be a delegate to the Governing Board. The President shall chair the Nominating Committee once elected and shall be a member of the Nominating Committee.

Nominating committee members serve a one-year term, and may serve no more than three consecutive terms.

The Nominating Committee shall actively seek candidates for nomination as Officers and Directors. The Nominating Committee shall present a single slate of Officers and Directors of the Executive Committee to the members voting at the annual meeting. Candidates for Officers or Directors may also be nominated from the floor at the annual meeting, with the consent of the person being nominated, and are not limited to those recommended by the Nominating Committee. Any nomination from the floor must be in accordance with Article VI, Section 4 (Qualifications).

In the event of a vacancy between annual meetings, the Nominating Committee shall make recommendations to the Executive Committee to fill vacant Director positions.

Vacant Officer positions shall be filled in accordance with Article V, Section 3. Vacancies occurring in the Nominating Committee between annual elections shall not be filled.

Complier's Note: On October 6, 2011 Section 1 was amended by replacing "multiple" with "single and adding the second and third sentences via BL11001 and became effective upon its adoption.

Section 2. *Compliance Review and Interpretations Committee*. The Compliance Review and Interpretations Committee has the dual responsibility for: (1) recommending rules to the Governing Board to respond to statements of non-compliance, making recommendations to the Governing Board on applications of states for compliance with the Agreement, maintaining a Compliance Review Guide, reviewing all compliance review reports to determine any needs for reassessment, recommending findings of non-compliance to the Governing Board, and fulfilling such other responsibilities as specified in the Agreement or assigned to them by the Executive Committee; and (2) making recommendations to the Governing Board on matters involving interpretations, definitions, revisions or additions to the Agreement.

The President, with the approval of the Executive Committee, shall annually appoint a Committee Chair, a Vice Chair and five committee members from the Member States of the Governing Board. Committee members must be executive or legislative branch employees of the Member State but are not required to be a delegate to the Governing Board. The Committee Chair will serve on the Executive Committee as an *ex officio* member without vote.

Complier's Note: On October 6, 2011 Section 2 was amended by adding a "vice chair" via BL11001 and became effective upon its adoption.

Section 3. *Finance Committee.* The Finance Committee has the responsibility to prepare an annual budget, monitor finances, review contracts, establish banking procedures and other financial policies, and to recommend cost allocations for States for the Governing Board's approval. The Secretary-Treasurer shall act as Finance Chair. The Chair shall annually select four additional committee members to serve on the Finance Committee from the membership of the Governing Board.

Section 4. *Issue Resolution Committee.* The Issue Resolution Committee has the responsibility to promulgate rules and to implement the issue resolution process in Article X of the Agreement. The President, with the approval of the Executive Committee, shall annually appoint an Issue Resolution Committee Chair and four committee members from the Member States of the Governing Board. Committee members must be executive or legislative branch employees of the Member State but are not required to be a delegate to the Governing Board. The Committee Chair will serve on the Executive Committee as an *ex officio* member without vote.

Section 5. *Other Committees.* The President, with the approval of the Executive Committee, may establish such other standing or ad hoc committees as from time to time are deemed necessary or desirable, and may, with the approval of the Executive Committee, appoint Chairs to such Committees. These Chairs of Standing Committees will serve on the Executive Committee as an *ex officio* member without vote.

Section 6. *Open Meetings, Notice Provisions.* Except in circumstances permitted by the Agreement, all meetings of standing or *ad hoc* committees of the Governing Board shall be open meetings and shall provide for public comment.

Section 7. *Committee Vacancies.* Unless otherwise stated in these bylaws, whenever any standing committee chair's position becomes vacant between annual appointments due to resignation or loss of position within the legislative or executive branch of government, the vacancy shall be filled by the President, with the approval of the Executive Committee. In the case of incapacity or inability to serve, the President shall declare that a vacancy exists, and the Executive Committee shall act to confirm the vacancy and fill the position in the manner provided in these bylaws.

Section 8. *Voting.* All members of the Compliance Review and Interpretations Committee and the Issue Resolution Committee under this article are selected as individuals, not representatives of states, therefore, using a proxy delegate to determine a quorum or to vote is not allowed.

Complier's Note: On October 6, 2011 Section 8 was added via BL11001 and became effective upon its adoption.

Article Eight – Advisory Councils and Public Participation

A. State and Local Advisory Council.

Section 1. *Purpose.* The Governing Board shall create a State and Local Advisory Council to advise it on matters pertaining to the administration of the Agreement, including but not limited to, admission of states into membership, noncompliance, interpretations, and revision or additions to the Agreement. The Governing Board, working through its committees, shall solicit and consider Council positions on these matters.

The Council also provides a forum for state and local government officials not represented on the Governing Board to express their ideas and concerns and to have a formal process to bring those concerns to the Governing Board.

Section 2. *Membership*. The membership shall consist of one representative from each state that is a participating state of the Streamlined Sales Tax Project as outlined in the Agreement and Rule 810.2.A.

In addition, the Governing Board shall appoint one representative nominated from each of the following organizations to represent local government on the Council: U.S Conference of Mayors, National League of Cities, National Association of Counties, and the Government Finance Officers Association.

The Governing Board may appoint other state and local officials to serve on the Council as it deems appropriate or necessary.

Compiler's Note: On October 6, 2011 Section 2 was amended to add the rule reference and to change "three" to "one" via BL11001 and became effective upon its adoption.

Section 3. *Officers.* The President, with the consent of the Executive Committee, shall appoint from among this group a Chair and Vice Chair of this Advisory Council to serve a one-year term. An individual may serve no more than two consecutive terms as Chair or Vice-Chair, except to fill an unexpired term. The Chair and Vice-Chair will serve as *ex officio* members of the Governing Board, without a vote.

Section 4. *Rules of Operation.* The Council will operate under Rules of Procedure as adopted by the Governing Board which may include establishment of committees or workgroups, decision-making processes and setting the Council agenda.

Section 5. *Agenda Setting*. The Council will consider and respond to those matters referred to it from the Governing Board or its committees. In addition, the Council may recommend items to the Governing Board for consideration. The Governing Board shall give due consideration to the positions of the Council.

Section 6. *Relationship to Business Advisory Council.* The State and Local Advisory Council shall seek the advice of and respond to the Business Advisory Council recognized pursuant to these bylaws on any item pertaining to the business community, prior to formulating a recommendation to the Governing Board or its committees.

Section 7. *Quorum.* A majority of the membership shall be present, in person or electronically, to constitute a quorum and to vote. A quorum is not required to discuss business of the Council, but is required for the Council to vote.

Compiler's Note: On October 6, 2011 Section 7 was added via BL11001 and became effective upon its adoption.

B. Business Advisory Council.

Section 1. *Purpose.* The Governing Board shall recognize a Business Advisory Council to advise it on matters pertaining to the administration of the Agreement, including but not limited to, admission of states into membership, noncompliance, interpretations, and revision or additions to the Agreement. The Governing Board and its committees shall solicit and consider Council positions on these matters. The Council also provides a forum for the private business sector to express its ideas and concerns and to have a formal process to bring those concerns to the Governing Board.

Section 2. *Membership.* The Council must demonstrate that its membership is recruited from businesses of all sizes and industry types and is therefore representative of the national business community. The Council shall establish requirements for membership and shall be open to any business, association, or practitioner meeting those requirements. The Council's membership requirements shall be written in a manner that allows for diverse representation of the business community. The Council shall not prohibit the admittance of any person or persons on the basis of race, religious creed, color, national origin, ancestry, sexual orientation or sex.

Section 3. *Rules of Operation and Organizational Structure.* The Council shall adopt Bylaws and Rules of Procedure that shall include establishment of a Board of Directors, and may include committees or workgroups, decision-making processes and setting the council agenda. The Board of Directors of the Council shall be representative of the diversity of its membership.

Section 4. *Officers.* The Board of Directors of the Council, in accordance with its Bylaws, will appoint such officers as it deems necessary to carry out its functions. The Board of Directors will also appoint two individuals to serve as *ex officio* members of the Governing Board, without vote.

Section 5. *Agenda Setting.* The Business Advisory Council will consider and respond to those matters referred to it from the Governing Board and its committees. In addition, the Council may recommend items to the Governing Board for consideration and response. The Governing Board shall give due consideration to the positions of the Council.

Section 6. *Relationship to State and Local Advisory Council.* The Business Advisory Council shall seek the advice of and respond to the State and Local Advisory Council on any item pertaining to the business community or tax administration prior to formulating a recommendation to the Governing Board or its committees.

C. Local Advisory Council.

Section 1. *Purpose.* The Governing Board shall recognize a Local Advisory Council to advise it on matters pertaining to the administration of the Agreement, including but not limited to, interpretations and revision or additions to the Agreement. The Governing Board and its committees shall solicit and consider Council positions on these matters. The Council also provides a forum for the local governments to express its ideas and concerns and to have a formal process to bring those concerns to the Governing Board.

Section 2. *Membership.* The Council membership shall be established by Governing Board rule. The Council shall not prohibit the admittance of any person or persons on the basis of race, religious creed, color, national origin, ancestry, sexual orientation or sex.

Section 3. *Rules of Operation and Organizational Structure.* The Council shall adopt Bylaws and Rules of Procedure that shall include establishment of a Board of Directors, and may include committees or workgroups, decision-making processes and setting the council agenda. The Board of Directors of the Council shall be representative of the diversity of its membership.

Section 4. *Officers.* The Board of Directors of the Council, in accordance with its Bylaws, will appoint such officers as it deems necessary to carry out its functions.

Section 5. *Agenda Setting.* The Local Advisory Council will consider and respond to those matters referred to it from the Governing Board and its committees. In addition, the Council may recommend items to the Governing Board for consideration and response. The Governing Board shall give due consideration to the positions of the Council.

Section 6. *Relationship to State and Local Advisory Council and Business Advisory Council.* The Local Advisory Council shall seek the advice of and respond to the State and Local Advisory Council and the Business Advisory Council on any item pertaining to the business community or tax administration prior to formulating a recommendation to the Governing Board or its committees.

D. Public Participation. The rules of the Governing Board shall provide that members of the public, who are not members of either Council, shall have the opportunity to be heard in public hearings and may submit comments to the Governing Board.

Compiler's Note: On May 24, 2012 Subsection C was added and the previous Subsection C was renumbered D by BL12001. This amendment became effective upon its adoption.

Article Nine – Procedures for Adopting/Amending Bylaws

Section 1. *Adoption of Bylaws*. The Governing Board was formed and adopted these bylaws on October 1, 2005.

Compiler's Note: On October 6, 2011 Section 1 was amended via BL11001 to eliminate how the Board could be formed to that it was formed on October 1, 2005.

A motion by Wyoming to amend the SSTGB Bylaws to allow the Governing Board to enter into contracts with nonmember states and to require a ¾ vote approval of those contracts.

Section 2. *Bylaw Amendments.* These bylaws may be amended, repealed or altered in whole or in part by a majority of those present and voting at any annual or special meeting of the Governing Board, providing that the amendment, repeal or alteration has been presented in writing not less than thirty days prior to giving notice of the meeting to Member States, the Business Advisory Council and the State and Local Government Advisory Council.

Article Ten — General Powers

Section 1. *Indemnification.* The Governing Board and Executive Committee is authorized to provide for the indemnification of damages and expenses incurred by Directors, Officers, employees of the corporation which may arise out of their defense of a legal proceeding brought against them as a result of their duties with the Governing Board.

Section 2. *Fiscal Year*. The Fiscal Year of the Corporation shall commence on the first day of July and end on the 30th day of June. The books and accounts of the Corporation for each fiscal year shall be examined and audited by Certified Public Accountants selected by the Executive Committee.

Section 3. *Waiver of Notice.* Whenever notice is required under the provisions of these bylaws, the Articles of Incorporation or the Agreement, a written waiver signed by three-fourths of the States is sufficient to supersede the requirement.

Section 4. *Non-discrimination.* The Governing Board, Officers and Directors, committee members, employees and persons served by the Corporation shall be selected entirely on a non-discriminatory basis.

Section 5. *Contracts.* The Executive Committee may authorize any officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of Governing Board and such authority may be general or confined to specific instances.

Section 6. *Loans.* No loans shall be contracted on behalf of the Governing Board and no evidence of indebtedness shall be issued in its name unless authorized by the Governing Board. Such authority may be general or confined to specific instances.

A motion by Wyoming to amend the SSTGB Bylaws to allow the Governing Board to enter into contracts with nonmember states and to require a ¾ vote approval of those contracts.

Section 7. *Parliamentary Authority.* Mason's Rules of Parliamentary Procedure shall be the parliamentary authority for all matters of procedure not specifically covered by the bylaws or by specific rules of procedure adopted by the Corporation.

Article Eleven – Dissolution

In the event of the dissolution of this Corporation, the assets shall be distributed to the States in a manner to be determined by the Governing Board, or distributed to organizations whose exempt purposes are specified in Section 501(c) of the Internal Revenue Code and amendments thereto.

SSTGB EXECUTIVE COMMITTEE
2018 SANCTIONS RECOMMENDATIONS

Initial Summary of Findings by the SSTGB

Georgia was voted to not be in substantial compliance with the SSUTA in December 2017. Below is a brief description of each of their compliance issues:

Georgia

1. **Good faith requirement for accepting exemption certificates (Section 317 of the SSUTA) –** Section 317 provides in part that "Each state shall relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale..." Rather than just providing this liability relief to sellers who obtain a fully completed exemption certificate within 90 days subsequent to the sale, Georgia imposes a requirement under Section 48-8-38 that the exemption certificates must also be accepted in good faith. Although these additional requirements may be placed on a seller if the seller did not obtain an exemption certificate within 90 days subsequent to the sale, they cannot be placed on the seller if the seller obtained the fully completed exemption certificate within 90 days subsequent to the sale. Although Georgia complied with this provision when their membership was initally approved, the legislature reinstated the "good faith" requirement for accepting exemption certificates in 2012. To correct this issue, Georgia will need a legislative change and it was indicated that Georgia Department of Revenue officials have discussed the necessary corrections with the Streamlined legislative delegates for Georgia.

2. **Only accepts the SER from Model 1 volunteer sellers - Not able to accept the SER from Model 4 or other sellers at this time (Section 318 of the SSUTA) –** Under the Agreement, effective January 1, 2011 a state must allow Model 4 sellers to file the simplified electronic return (SER) and effective January 1, 2013 a state must allow all sellers, including those not registered under the Agreement to file an SER. Georgia currently only accepts SERs from Model 1 Sellers. The SER has limitations in its schema that will not accommodate correct vendor compensation for sellers with multiple locations in Georgia. Such sellers receive more vendor compensation if they do not use the SER. Georgia also indicated that due to the SER schema limitations, they do not believe the schema provides an adequate method for sellers to report the variations between the state and local tax base and rate differences that are allowed in Section 302 and 308 of the SSUTA.

3. **Imposes a cap of $35,000 in tax on boat repairs (Section 323.A of the SSUTA) –** Under the Agreement, caps and thresholds are not allowable (with very limited exceptions) "…unless the member state assumes the administrative responsibility in a manner that places no additional burden on the retailer." To correct this issue, Georgia will need a legislative change and it was indicated that Georgia Department of Revenue officials have discussed the necessary corrections with the Streamlined legislative delegates for Georgia.

Status as of April 12, 2018 – No change from above.

Executive Committee Recommendation

Based on the above and in accordance with Section 809 of the SSUTA and SSTGB Rule 809, the Executive Committee met and recommended that the same sanctions imposed on Georgia last year continue to be imposed since their compliance issues have not yet been resolved. The Executive Committee also voted not to recommend any sanction with respect to Georgia's cap and threshold issue at this time.

Recommendation by Executive Committee

The Executive Committee recommends that the following sanctions be imposed:

Georgia

Executive Committee Recommendation: The Executive Committee recommends that the same sanctions that were imposed previously on Georgia continue to be imposed until the issue(s) are resolved. Those sanctions are that Georgia will not be permitted to (a) vote on issues related to other state's compliance and (b) vote on amendments to the SSUTA, until such time as the issues are corrected. (**Note:** Table 1 details what sanctions would be imposed if one or the other of these compliance issues are resolved.)

Rationale: Georgia has been aware of these issues for several years and appears to be making an effort to get back into compliance. With respect to the good faith issue, that change was made by their legislature after they were approved as an SST full member state knowing it could take them out of compliance with the SSUTA. In addition, imposing the good faith requirement leads to a potential liability for every seller that accepts exemption certificates and potentially places a significant burden on them. With respect to the SER issue related to the vendor compensation, Georgia could actually accept the SERs, but it would result in the sellers receiving less vendor compensation than they are entitled to under Georgia's law. For some of the other SER issues, due to the schema limitations, the SER would not provide them with the detail they need to properly distribute these taxes. With respect to the schema limitations, the Certification Committee and SSTGB staff will look into what may be able to be done to help address those issues. (Note: Georgia revised their ST-3 at the end of January 2018, effective April 1, 2018 and SSTGB staff have started reviewing the revised return to try to help them address part of this issue.)

Table 1

Compliance Issue	**Sanction Recommended**
Good faith and SER acceptance issues **both unresolved**	Not allowed to vote on SSUTA amendments and not allowed to vote on other state's compliance
Only **good faith** issue unresolved	Not allowed to vote on SSUTA amendments and not allowed to vote on other state's compliance
Only **SER acceptance** issue unresolved	Not allowed to vote on other state's compliance

Streamlined Sales Tax Governing Board
Quarterly Financial Report
Second Quarter of Fiscal Year Ending June 30, 2018

This report reflects the income and expenses of the Streamlined Sales Tax Governing Board, Inc. (SSTGB) for the first six months of Fiscal Year Ending June 30, 2018 (FYE 2018).

The Income Statement includes a comparison of the Budgeted Income and Expense Statement for FYE 2018 to the year-to-date actual expenses as of December 31, 2017 and a year-to-date percentage of the budget utilized. Total expenses are generally in line with the expected expenses in all major categories for the first six months of the fiscal year.

Also included is a Balance Sheet for the period ended December 31, 2017. On December 31, 2017, assets of the SSTGB totaled $1,479,479, of which 99% was held in the form of cash or cash equivalents. The remainder was comprised of accounts receivable, furniture and equipment, and a rent deposit.

The documents reflect the stable financial condition of the SSTGB.

Major budgetary items reflected in the second quarter FYE 2018 income statement include:

- Salary, benefits and payroll taxes for two full-time and two part-time employees totaled $81,638 during the quarter.

- Travel expenses totaled $36,306. These expenses include all employee travel expenses to attend various meetings and conferences, travel expenses for SSTGB members to represent the SSTGB at various meetings, travel expenses for Committee chairpersons to lead certain Streamlined Committee meetings, legislative travel and travel reimbursements to the states related to the October 2017 Governing Board meeting in Oklahoma City, OK.

- Office expenses totaled $5,524, the majority of which was telecommunication expenses ($3,319).

- Contractual services category, which is comprised of office rent, central registration system maintenance, accounting services, annual outside audit, website development and hosting services and the federal affairs contracts totaled $75,308. The majority of this expense ($46,500) was related to the contracts the SSTGB has with two government affairs companies. There were also legal fees of $7,500 related to the *South Dakota v. Wayfair* litigation.

Streamlined Sales Tax Governing Board Inc						
Statement of Activities						
For the six months ended December 31, 2017						
		FYE 6/30/18	**1st quarter**	**2nd Quarter**	**Year-To-Date**	**Percentage**
		Budget	**FYE 6/30/18**	**FYE 6/30/18**	**FYE 6/30/18**	**Of Budget**
BEGINNING BALANCE		$844,726	$844,726	$1,653,888	$844,726	
INCOME						
Member Payments		983,650	983,650	0	983,650	100%
Member payments held in escrow						
Publication Sales						
Investment Income		5,000	294	421	715	14%
Other income						
NGA/NCSL Contributions						
Meeting Income		50,000	0	0	0	0%
TOTAL INCOME		**1,038,650**	**983,944**	**421**	**984,364**	95%

EXPENSES					
Salaries and Benefits					
Salaries	360,000	74,442	75,042	149,485	42%
Payroll Taxes	28,000	5,719	5,087	10,806	39%
Retirement Expense	10,275	1,258	1,509	2,767	27%
Subtotal - Salaries	**398,275**	**81,419**	**81,638**	**163,058**	41%
Office Expense					
Telecommunications	20,000	2,895	3,319	6,213	31%
Printing	2,000	0	0	0	0%
Materials and Supplies	6,000	128	455	583	10%
Postage and Delivery	1,500	0	10	10	1%
Law Service and Books	2,500	0	0	0	0%
Computer Equipment and Furniture-Depreciation	4,500	755	755	1,511	34%
Computer Equipment and Furniture	3,000	0	0	0	0%
Other Insurance	1,500	644	535	1,179	79%
Credit card fees	0	0	0	0	
Other	1,500	0	450	450	30%
Subtotal -Office Expense	**42,500**	**4,422**	**5,524**	**9,946**	23%
Travel					
Employee Travel	55,000	12,396	7,182	19,578	36%
Other Travel	33,000	3,609	11,574	15,183	46%
Chairperson Travel (SLAC-Audit-Cert-CRIC)	18,000	2,596	2,914	5,510	31%
State Delegate/Designee Travel	48,000	(1,000)	10,482	9,482	20%
Audit Core Team Travel	5,000	858	0	858	17%
State Auditor Training Travel	0	0	0	0	
Legislative travel	25,000	999	4,154	5,154	21%
Subtotal -Travel	**184,000**	**19,458**	**36,306**	**55,764**	30%
Contractual Services					
Rent - Office space	12,000	3,556	1,700	5,256	44%
Central Registration					
Annual Hosting	28,000	5,505	3,670	9,175	33%
Annual Maintenance, Support and Licenses	60,000	12,115	8,110	20,225	34%
Development of New System	10,000	0	0	0	0%
Accounting Services	10,000	1,900	1,995	3,895	39%
Legal Services	25,000	0	7,500	7,500	30%
Fund Audit	14,000	0	3,125	3,125	22%
Web Site Development & Hosting	14,000	205	1,537	1,742	12%
Federal Affairs	186,000	41,500	46,500	88,000	47%
Website Redesign	25,000	0	0	0	0%
Other	25,000	673	1,171	1,844	7%
Subtotal - Contractual Services	**409,000**	**65,453**	**75,308**	**140,762**	34%
Meeting Expenses					
Write off Receivables	0	0	0	0	
Semi Annual Meetings	55,000	3,705	28,528	32,233	59%
Committee Meetings	6,000	325	0	325	5%
Subtotal - Meeting Expenses	**61,000**	**4,030**	**28,528**	**32,558**	53%
Reserve	25,000	0	0	0	0%
Online Taxability Matrix	2,000	0	0	0	0%
Online Certificate of Compliance	2,000	0	0	0	0%
TOTAL EXPENSES	**1,123,775**	**174,782**	**227,305**	**402,087**	36%
Surplus(Deficit) for Budget Period	(85,125.00)	809,162	(226,885)	582,277	
ENDING BALANCE	**$759,601**	**1,653,888**	**1,427,003**	**1,427,003**	

Streamlined Sales Tax Governing Board Inc				
Balance Sheet				
For the six months ended December 31, 2017				
	Beginning Balances	**1st Quarter FYE 6/30/17**	**2nd Quarter FYE 6/30/17**	**Change From Last Quarter**
Assets				
Current Assets				
Cash and cash equivalents	$1,100,234	$1,695,660	$1,474,859	(220,801)
Meeting receivables	710	355	355	-
Insurance receivable	0	0	0	-
Prepaid Expenses	8,867	0	0	-
Total current assets	**1,109,811**	**1,696,015**	**1,475,214**	**(220,801)**
Noncurrent assets				
Furniture and equipment, net	5,061	4,305	3,550	(755)
Rent Deposit	715	715	715	-
Total noncurrent assets	**5,776**	**5,020**	**4,265**	**(755)**
Total assets	**$1,115,587**	**$1,701,035**	**$1,479,479**	**(221,556)**
Liabilities and net assets				
Current Liabilities				
Accounts payable	8,881	(293)	2,736	3,029
Vacation Payable	31,406	31,406	26,059	(5,346)
Deferred revenue-Membership	230,575	0	0	-
Deferred revenue-Meetings	0	16,035	23,680	7,645
Total current liabilities	**270,861**	**47,147**	**52,476**	**5,328**
Long term Liabilities				
Deferred revenue-Membership	0	0	0	-
Total liabilities	**$270,861**	**$47,147**	**$52,476**	**5,328**
Commitments and Contingencies				
Net Assets				
Unrestricted	844,726	1,653,888	1,427,003	(226,885)
Total Liabilities and Net Assets	**$1,115,587**	**$1,701,035**	**$1,479,479**	**(221,557)**

Streamlined Sales Tax Governing Board Inc	
Cash Flow	
For the six months ended December 31, 2017	
Cash flows from operating activities	
Change in net assets	582,277
Adjustments to reconcile change in net assets t	
net cash provided by operating activities:	
Depreciation	1,511
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	355
Prepaid expenses	8,867
Increase (decrease) in liabilities	
Accounts payable	(6,143)
Accrued liabilities	(5,347)
Deferred revenue	(206,895)
Streamlined Conferences Cash	
New cash flows provided by operating activities	**374,625**
Cash flows from investing activities	
Purchases of furniture and equipment	-
Net cash used in investing activities	
Net increase (decrease) in cash and cash equivalents	374,625
Cash and cash equivalents, beginning of year	1,100,234
Cash and cash equivalents, end of 2nd quarter	1,474,859

Streamlined Sales Tax Governing Board
Quarterly Financial Report
Third Quarter of Fiscal Year Ending June 30, 2018

This report reflects the income and expenses of the Streamlined Sales Tax Governing Board, Inc. (SSTGB) for the first nine months of Fiscal Year Ending June 30, 2018 (FYE 2018).

The Income Statement includes a comparison of the Budgeted Income and Expense Statement for FYE 2018 to the year-to-date actual expenses as of March 31, 2018 broken down on a quarterly and year-to-date basis, along with a year-to-date percentage of the budget utilized. Total expenses are generally lower than the expected expenses in all major categories for the first nine months of the fiscal year.

The Balance Sheet for the period ended March 31, 2018 provides a comparison of the account balances on a quarterly and year-to-date basis, along with an indication of how the account balances changed from the prior quarter. On March 31, 2018, assets of the SSTGB totaled $1,278,437, of which 99% was held in the form of cash or cash equivalents. The remainder was comprised of a meeting receivable, furniture and equipment, and a rent deposit.

The documents continue to show the stable financial condition of the SSTGB.

Major budgetary items reflected in the third quarter of FYE June 30, 2018 income statement include:

- Salary, benefits and payroll taxes for two full-time and two part-time employees totaled $84,314 during the quarter.

- Travel expenses totaled $39,396. These expenses include all employee travel expenses to attend various meetings and conferences, travel expenses for SSTGB delegates to represent the SSTGB at various meetings and travel expenses for Committee chairpersons to lead certain Streamlined Committee meetings.

- Office expenses totaled $4,872, the majority of which was telecommunication expenses ($2,739).

- Contractual services category, which is comprised of office rent, central registration system maintenance, accounting services, annual outside audit, website development and hosting services and the federal affairs contracts totaled $97,792. The majority of this expense ($46,500) was related to the contracts the SSTGB has with two government affairs companies and a down payment on the website redesign.

Streamlined Sales Tax Governing Board, Inc.

Statement of Activities

For the nine months ended March 31, 2018

	FYE 6/30/18 Budget	1st quarter FYE 6/30/18	2nd Quarter FYE 6/30/18	3rd Quarter FYE 6/30/18	Year-To-Date FYE 6/30/18	Percentage Of Budget
BEGINNING BALANCE	$ 844,726	$ 844,726	$1,653,888	$1,427,003	$ 844,726	
INCOME						
Member Payments	$ 983,650	$ 983,650	$ -	$ -	$ 983,650	100%
Member payments held in escrow						
Investment Income	$ 5,000	$ 294	$ 421	$ 490	$ 1,205	24%
Other income						
Meeting Income	$ 50,000	$ -	$ -	$ 23,680	$ 23,680	47%
TOTAL INCOME	**$ 1,038,650**	**$ 983,944**	**$ 421**	**$ 24,170**	**$ 1,008,535**	97%
EXPENSES						
Salaries and Benefits						
Salaries	$ 360,000	$ 74,442	$ 75,042	$ 76,282	$ 225,766	63%
Payroll Taxes	$ 28,000	$ 5,719	$ 5,087	$ 6,503	$ 17,309	62%
Retirement Expense	$ 10,275	$ 1,258	$ 1,509	$ 1,529	$ 4,296	42%
Subtotal - Salaries	**$ 398,275**	**$ 81,419**	**$ 81,638**	**$ 84,314**	**$ 247,371**	62%
Office Expense						
Telecommunications	$ 20,000	$ 2,895	$ 3,319	$ 2,739	$ 8,952	45%
Printing	$ 2,000	$ -	$ -	$ -	$ -	0%
Materials and Supplies	$ 6,000	$ 128	$ 455	$ 263	$ 846	14%
Postage and Delivery	$ 1,500	$ -	$ 10	$ 62	$ 71	5%
Law Service and Books	$ 2,500	$ -	$ -	$ -	$ -	0%
Computer Equipment and Furniture-Depreciation	$ 4,500	$ 755	$ 755	$ 755	$ 2,266	50%
Computer Equipment and Furniture	$ 3,000	$ -	$ -	$ -	$ -	0%
Other Insurance	$ 1,500	$ 644	$ 535	$ 1,054	$ 2,233	149%
Credit card fees	$ -	$ -	$ -	$ -	$ -	
Other	$ 1,500	$ -	$ 450	$ -	$ 450	30%
Subtotal -Office Expense	**$ 42,500**	**$ 4,422**	**$ 5,524**	**$ 4,872**	**$ 14,818**	35%

Travel						
Employee Travel	$ 55,000	$ 12,396	$ 7,182	$ 10,362	$ 29,940	54%
Other Travel	$ 33,000	$ 3,609	$ 11,574	$ 6,072	$ 21,255	64%
Chairperson Travel (SLAC-Audit-Cert-CRIC)	$ 18,000	$ 2,596	$ 2,914	$ 2,445	$ 7,955	44%
State Delegate/Designee Travel	$ 48,000	$ (1,000)	$ 10,482	$ -	$ 9,482	20%
Audit Core Team Travel	$ 5,000	$ 858	$ -	$ 517	$ 1,375	27%
State Auditor Training Travel	$ -	$ -	$ -	$ -	$ -	
Legislative travel	$ 25,000	$ 999	$ 4,154	$ -	$ 5,154	21%
Subtotal -Travel	**$ 184,000**	**$ 19,458**	**$ 36,306**	**$ 19,396**	**$ 75,161**	41%
Contractual Services						
Rent - Office space	$ 12,000	$ 3,556	$ 1,700	$ 3,306	$ 8,561	71%
Central Registration						
Annual Hosting	$ 28,000	$ 5,505	$ 3,670	$ 5,505	$ 14,680	52%
Annual Maintenance, Support and Licenses	$ 60,000	$ 12,115	$ 8,110	$ 12,125	$ 32,350	54%
Development of New System	$ 10,000	$ -	$ -	$ -	$ -	0%
Accounting Services	$ 10,000	$ 1,900	$ 1,995	$ 1,520	$ 5,415	54%
Legal Services	$ 25,000	$ -	$ 7,500	$ 2,109	$ 9,609	38%
Fund Audit	$ 14,000	$ -	$ 3,125	$ 10,275	$ 13,400	96%
Web Site Development & Hosting	$ 14,000	$ 205	$ 1,537	$ 2,467	$ 4,209	30%
Federal Affairs	$ 186,000	$ 41,500	$ 46,500	$ 46,500	$ 134,500	72%
Website Redesign	$ 25,000	$ -	$ -	$ 12,500	$ 12,500	50%
Other	$ 25,000	$ 673	$ 1,171	$ 1,486	$ 3,330	13%
Subtotal - Contractual Services	**$ 409,000**	**$ 65,453**	**$ 75,308**	**$ 97,792**	**$ 238,554**	58%
Meeting Expenses						
Write off Receivables	$ -	$ -	$ -	$ -	$ -	
Semi Annual Meetings	$ 55,000	$ 3,705	$ 28,528	$ 316	$ 32,548	59%
Committee Meetings	$ 6,000	$ 325	$ -	$ 1,485	$ 1,810	30%
Subtotal - Meeting Expenses	**$ 61,000**	**$ 4,030**	**$ 28,528**	**$ 1,801**	**$ 34,358**	56%
Reserve	$ 25,000	$ -	$ -	$ -	$ -	0%
Online Taxability Matrix	$ 2,000	$ -	$ -	$ 615	$ 615	31%
Online Certificate of Compliance	$ 2,000	$ -	$ -	$ 615	$ 615	31%
TOTAL EXPENSES	**$ 1,123,775**	**$ 174,782**	**$ 227,305**	**$ 209,405**	**$ 611,492**	54%
Surplus(Deficit) for Budget Period	$ (85,125)	$ 809,162	$ (226,885)	$ (185,235)	$ 397,042	
ENDING BALANCE	**$ 759,601**	**$ 1,653,888**	**$1,427,003**	**$ 1,241,768**	**$ 1,241,768**	

Streamlined Sales Tax Governing Board, Inc.					
Balance Sheet					
For the nine months ended March 31, 2018					
	Beginning Balances	**1st Quarter FYE 6/30/18**	**2nd Quarter FYE 6/30/18**	**3rd Quarter FYE 6/30/18**	**Change From Last Quarter**
Assets					
Current Assets					
Cash and cash equivalents	$1,100,234	$1,695,660	$1,474,859	$1,274,572	$ (200,287)
Meeting receivables	710	355	355	355	0
Insurance receivable	0	0	0	0	0
Prepaid Expenses	8,867	0	0	0	0
Total current assets	**1,109,811**	**1,696,015**	**1,475,214**	**1,274,927**	(200,287)
Noncurrent assets					
Furniture and equipment, net	5,061	4,305	3,550	2,794	(755)
Rent Deposit	715	715	715	715	0
Total noncurrent assets	**5,776**	**5,020**	**4,265**	**3,509**	(755)
Total assets	**$1,115,587**	**$1,701,035**	**$1,479,479**	**$1,278,437**	**$ (201,042)**
Liabilities and net assets					
Current Liabilities					
Accounts payable	8,881	(293)	2,736	79	(2,657)
Vacation Payable	31,406	31,406	26,059	26,059	0
Deferred revenue-Membership	230,575	0	0	0	0
Deferred revenue-Meetings	0	16,035	23,680	10,530	(13,150)
Total current liabilities	**270,861**	**47,147**	**52,476**	**36,669**	**(15,807)**
Long term Liabilities					
Deferred revenue-Membership	0	0	0	0	0
Total liabilities	**$270,861**	**$47,147**	**$52,476**	**$36,669**	**(15,807)**
Commitments and Contingencies					
Net Assets					
Unrestricted	844,726	1,653,888	1,427,003	1,241,768	(185,235)
Total Liabilities and Net Assets	**$1,115,587**	**$1,701,035**	**$1,479,479**	**$1,278,437**	**$ (201,042)**

Streamlined Sales Tax Governing Board, Inc.	
Cash Flow	
For the nine months ended March 31, 2018	
Cash flows from operating activities	
Change in net assets	397,042
Adjustments to reconcile change in net assets t	
net cash provided by operating activities:	
Depreciation	2,266
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	355
Prepaid expenses	8,867
Increase (decrease) in liabilities	
Accounts payable	(8,800)
Accrued liabilities	(5,347)
Deferred revenue	(220,045)
Streamlined Conferences Cash	
New cash flows provided by operating activities	**174,338**
Cash flows from investing activities	
Purchases of furniture and equipment	-
Net cash used in investing activities	
Net increase (decrease) in cash and cash equivale	174,338
Cash and cash equivalents, beginning of year	1,100,234
Cash and cash equivalents, end of 3rd quarter	1,274,572

Streamlined Sales Tax Governing Board
State and Local Advisory Council Agenda
May 1, 2018
(8:30 am - 5:00 pm, Mountain Time)
Snow King Hotel and Grand View Lodge
Jackson, Wyoming

8:30 – 3:30 – Full SLAC Meeting

- Welcome & Introductions
- Report from SLAC Chair and Vice-Chair
- Review Possible Proposed Amendments to SSUTA and Rules
  - Medical Products Classification
    - Appendix E - Disclosed Practice 7 – Classification of Not Defined Items – AM18006
    - Appendix E - Disclosed Practice 7 – Online Taxability Matrix - AM18007
    - Combining Appendix L and M – Health Care Lists – RP18002
    - Nasal Strips Draft CRIC Opinion - Status
  - Appendix C - Diaper Exclusion – Children vs. Adult Diapers – AM18005
  - Sections 802 and 803 - Allow Designee to Sign Certificate of Compliance – AM18003
  - Section 305 – Local Rate and Boundary Changes - AM18002
  - Section 803 and Rule 803 - Timeline for Annual State Compliance Reviews – AM18004 and RP18001
  - Sections 806 and 1103 and Bylaws - Authorization of Governing Board to Enter Into Contracts with Nonmember States – AM18001 and BL18001
  - Rule 317.1 – Update to Match Exemption Certificate – RP18003
  - Rule 602 – Model 2 Seller Compensation – RP18004

- Other Items to Discuss
    - Updates to Taxability Matrix and Certificate of Compliance- SL18010 and SL18011
  - Tax Administrator's Guide – MC18001A02
  - Technology Implementation Guide – MC18002A01
  - Website Update
  - CSP Contract
  - Liability Relief – Review Provisions in SSUTA and CSP Contract

- Comments/Announcements

4:00 – 5:00 – SLAC Business Meeting

- Roll call and introductions
- Approval of SLAC meeting minutes – October 2017- SL18009
- Possible SLAC Vote on Recommendations Relating to:
  - Medical Products Classification
    - Appendix E - Disclosed Practice 7 – Classification of Not Defined Items – AM18006
    - Appendix E - Disclosed Practice 7 – Online Taxability Matrix - AM18007
    - Combining Appendix L and M – Health Care Lists – RP18002

Streamlined Sales Tax Governing Board
State and Local Advisory Council Agenda
May 1, 2018
(8:30 am - 5:00 pm, Mountain Time)
Snow King Hotel and Grand View Lodge
Jackson, Wyoming

    - Nasal Strips Draft CRIC Opinion - Status
  - Appendix C - Diaper Exclusion – Children vs. Adult Diapers – AM18005
  - Sections 802 and 803 – Allow Designee to Sign Certificate of Compliance – AM18003
  - Section 305 – Local Rate and Boundary Changes - AM18002
  - Section 803 and Rule 803 - Timeline for Annual State Compliance Reviews – AM18004 and RP18001
  - Sections 806 and 1103 and Bylaws - Authorization of Governing Board to Enter Into Contracts with Nonmember States – AM18004 and RP18001
  - Rule 317.1 – Update to Match Exemption Certificate – RP18003
  - Rule 602 – Model 2 Seller Compensation – RP18004
  - Updates to Certificate of Compliance and Taxability Matrix- SL18010 and SL18011
  - Tax Administrator's Guide – MC18001A02
  - Technology Implementation Guide – MC18002A01

- Old Business
- New Business
- Comments/Announcements

State and Local
Advisory Council
(SLAC) Delegates

(Revised 3/30/2018)

State	Delegate	Additional or Alternate(s)
Alabama	Rouen Reynolds rouen.reynolds@revenue.alabama.gov (334) 242-1575	Ginger Buchanan ginger.buchanan@revenue.alabama.gov (334) 242-1496 Mike Emfinger michael.emfinger@revenue.alabama.gov (334) 242-1570
Arizona	Christie Comanita ccomanita@azdor.gov (602) 716-6791	
Arkansas	Chris McNeal Chris.McNeal@dfa.arkansas.gov	Lauren Ballard Lauren.Ballard@dfa.arkansas.gov Gregory Ivester Greg.Ivester@dfa.arkansas.gov
California		
Connecticut	Susan Sherman susan.sherman@po.state.ct.us	Bruce Innes bruce.innes@po.state.ct.us
District of Columbia		
Florida	Marshall Stranbum stranbum@dor.state.fl.us (850) 488-0712	
Georgia	Amy Oneacre amy.oneacre@dor.ga.gov (404) 417-6628	Tommy Cooper Tommy.Cooper@dor.ga.gov (404) 417-6263
Hawaii		
Idaho	Ken A. Roberts, Commissioner ken.roberts@tax.idaho.gov (208) 334-7500 • fax: (208) 334-7664	McLean Russell mclean.russell@tax.idaho.gov (208) 334-7531

State and Local Advisory Council
Delegates and Additional Participants

Illinois	Terry Charlton Chief Administrative Law Judge Illinois Department of Revenue 101 West Jefferson Springfield, IL 62794 (217) 782-6995 terry.charlton@illinois.gov	Dan Hall Audit Bureau Manager Illinois Department of Revenue 101 West Jefferson Springfield, IL 62794 (217) 782-9800 dan.hall@illinois.gov
Indiana	Larry Molnar Indiana Dept. of Revenue lmolnar@dor.in.gov (317) 233-0656	Senator Luke Kenley luke@ori.net lkenley@iga.in.gov (317) 232-9453 Adam Krupp, Commissioner Indiana Dept. of Revenue (317) 232-8039 akrupp1@dor.in.gov
Iowa	Matt Bishop matt.bishop@iowa.gov (515) 725-1106	
Kansas	Kathleen Smith Kathleen.Smith@ks.gov (785) 296-3070	Amy Kramer Amy.Kramer@ks.gov (785) 291-3580 Tom Hatten tom.hatten@ks.gov (785) 296-4008 Andy Coultis andy.coultis@ks.gov (785) 296-8841
Kentucky	Richard Dobson richard.dobson@ky.gov (502) 564-5523	Ricky Haven ricky.haven@ky.gov (502) 564-6828 Tim Bennett tim.bennett@ky.gov (502) 564-8913 Jeremy Branham Jeremy.Branham@ky.gov 502-564-9423
Louisiana		

Maine	Sara J. Lewis sara.j.lewis@maine.gov (207) 624-9608	
Maryland	David Roose droose@comp.state.md.us (410) 260-7329	
Massachusetts	Michael Fatale fatale@dor.state.ma.us (617) 626-3261	Dale Morrow morrowd@dor.state.ma.us (617) 887-6840
Michigan	Patricia Calore calorep@michigan.gov (517) 241-2691	Mike Eschelbach eschelbachm@michigan.gov (517) 241-3653 Dave Matelski matelskid@michigan.gov 517-373-9276
Minnesota	Merry Hopkins merry.hopkins@state.mn.us (651) 556-3102	Pam Evans pam.evans@state.mn.us (651) 556-6814 Ellen Auger ellen.auger@state.mn.us (651) 556-6715 MacKenzie Ferris Mackenzie.ferris@state.mn.us (651) 556-6707
Mississippi		
Missouri	Cheryl Bosch, Manager Business Tax Taxation Division Missouri Department of Revenue 573-751-3470 cheryl.bosch@dor.mo.gov	Joel Allison, Sales Tax Manager Taxation Division Missouri Department of Revenue (573) 751-3470 joel.allison@dor.mo.gov

Nebraska	Ellen Thompson ellen.thompson@Nebraska.gov (402) 471-5679	Blaine Kreikemeier blaine.kreikemeier@nebraska.gov 402-595-3825 Mike Walsh mike.walsh@nebraska.gov (402) 471-5920
Nevada	Paulina Oliver poliver@tax.state.nv.us (702) 486-2331	Guy Childers gchilders@tax.state.nv.us (702) 486-3921
New Jersey	Beth Berniker beth.berniker@treas.nj.gov (609) 292-5995	Elizabeth Lipari elizabeth.lipari@treas.nj.gov (609) 943-5648 Carol Bell carol.bell@treas.nj.gov 609) 943-5650
New Mexico		
New York	Robert D. Plattner (518) 530-4519	Daniel Wood daniel.wood@tax.ny.gov (518) 530-4561 Eric Songayllo eric.songayllo@tax.ny.gov
North Carolina	Eric Wayne Eric.wayne@ncdor.gov (919) 814-1082	Brooks Hemphill brooks.hemphill@ncdor.gov (919) 814-1082
North Dakota	Myles Vosberg msvosberg@nd.gov (701) 328-3471	Blane Braunberger bbraunberger@nd.gov (701) 328-3011
Ohio	Laura Stanley laura.stanley@tax.state.oh.us (614) 644-5764	Steven Russell steven.russell@tax.state.oh.us 614) 466-9635 Jennifer McFarland, Esq., LL.M. Business Tax Division Administrator jennifer.mcfarland@tax.state.oh.us (614) 446-8667

Oklahoma	Tony Mastin tmastin@oktax.state.ok.us (405) 521-3214	Lisa Haws lhaws@tax.ok.gov (405) 521-3133
Pennsylvania	Maryellen Martin mmartin@state.pa.us (717) 346-4647	Dan Hassell Chassell@state.pa.us (717) 787-4099
Puerto Rico		
Rhode Island	Patrick Gengarella patrick.gengarella@tax.ri.gov (401) 574-8916	Theriza Salib-Iafrate theriza.iagrate@tax.ri.gov (401) 574-8916
South Carolina	Tim Donovan donovant@sctax.org (803) 898-5619	Corey Smith Corey.Smith@dor.sc.gov (803) 898-5132 Walter Tarcza Walter.Tarcza@dor.sc.gov (803) 898-5838
South Dakota	Alison Jares alison.jares@state.sd.us (605) 773-6755	Rachel Hearn rachel.hearn@state.sd.us (605) 773-8395 Ashley Pickner ashley.pickner@state.sd.us 605-773-3311
Tennessee	Sherry Harrell Hathaway sherry.hathaway@tn.gov (615) 532-6021	Donna Thompson donna.c.thompson@tn.gov (615) 741-8385
Texas	Nancy Prosser nancy.prosser@cpa.texas.gov (512) 463-3723	Tommy Hoyt tommy.hoyt@cpa.texas.gov (512) 475-3960
Utah	Rebecca Rockwell Tax Commissioner rrockwell@utah.gov (438) 830-8441	Craig Sandberg csandberg@utah.gov (801) 297-4706 Scott Smith swsmith@utah.gov (801) 297-4673 Rod Boogaard rboogaard@utah.gov (801) 297-4610

Vermont	John Gortakowski 802-828-5383 john.gortakowski@vermont.gov	
Virginia	Mark Haskins mark.haskins@tax.virginia.gov (804) 371-22966	Bill White william.white@tax.virginia.gov (804) 371-2293 Kristen Peterson kristen.peterson@tax.virginia.gov (804) 371-2340
Washington	Wan Chen WanC@dor.wa.gov (360) 534-1581	Mike Chertude michaelc@dor.wa.gov (360) 256-2081 Tim Jennrich TimJe@dor.wa.gov (360) 534-1578 John Ryser JohnR@dor.wa.gov
West Virginia	Dana K. Angell dana.k.angell@wv.gov (304) 558-8532	
Wisconsin	David Steines david.steines@wisconsin.gov (715) 247-4919	Diane Hardt diane.hardt@wisconsin.gov (608) 266-6798 Vicki Gibbons vicki.gibbons@wisconsin.gov 608-266-3612 Nate Weber nathaniel.weber@wisconsin.gov 608-266-8025
Wyoming	Dan Noble dan.noble@wyo.gov (307) 777-5287	Kim Lovett kim.lovett@wyo.gov (307) 777-5220

Government Finance Officers Association	Michael E. Bailey, Chair mebailey@redmond.gov (425) 556-2160	Mike Belarmino, GFOA mbelarmino@gfoa.org (202)393-8024 Emily Swenson Brock, GFOA ebrock@gfoa.org (202)393-8467
National Association of Counties	Butch Burbage, CPA Chief Financial Officer Shelby County bburbage@shelbyal. com Phone: (205) 670.6505 Fax: (205) 669-3864	Jack Peterson jpeterson@naco.org (202)661-8805
National League of Cities	Robert B. Scott Assistant City Manager/CFO City of Carrollton 1945 E Jackson Rd Carrollton, TX 75006 (972) 466-3103 (972) 466-3535 FAX bob.scott@cityofcarrollton.com	Brett Bolton, NLC Brett.bolton@nlc.org (202)626-3183
U.S. Conference of Mayors	David Schmiedicke, Director Department of Finance City of Madison City County Building, Room 406 210 Martin Luther King, Jr. Boulevard Madison, WI 53703 (608) 267-8710 dschmiedicke@cityofmadison.com	Larry Jones, USCM ljones@usmayors.org (202) 861-6709

State and Local Advisory Council
Business Meeting
October 10, 2017
Oklahoma City, OK

Welcome and Roll Call

Alison Jares (SD), SLAC Chair, opened the meeting. Twenty-one (21) states were present as well as a representative from the Government Finance Officers Association. A quorum was not present therefore all votes considered a consensus vote rather than a SLAC recommendation.

Minutes

A motion was made to approve the minutes from the October 2016 business meeting. The motion was seconded. The minutes were approved by a unanimous voice vote.

Review of Recommendations

Sales Tax Holiday Notice

Ohio requests a change to the SSUTA notice requirement from 60 days prior to the calendar quarter to 60 days prior to the calendar month. Richard Dobson moved for approval and the motion was seconded. It was approved by unanimous voice vote.

Exclusion for Diapers from Definition of Clothing

North Dakota on behalf of the National Diaper Bank Network requests an amendment to Library of Definitions to allow a state to treat diapers differently than clothing. David Steines moved for approval and the motion was seconded. It was approved by unanimous voice vote.

Exclusion for Marijuana and Products containing Marijuana

Nevada and North Carolina requests an additional provision to SSUTA excluding the sales or use of marijuana products. Mike Eschelbach moved for approval and the motion was seconded. It was approved by unanimous voice vote.

Certification of Product Categories-Forms and Instructions

Wan Chen moved to approve the forms and instructions for the Certification of Product Categories. The motion was seconded and carried by unanimous voice vote.

Nasal Strips and Medical Product Listings

The SLAC workgroup survey was reviewed. Richard Dobson moved to approve the workgroup to proceed. The motion was seconded and carried by unanimous voice vote.

SSTGB Rule 603 Repeal

Eric Wayne moved to repeal Rule 603-Small Seller Exemption. The motion was seconded and carried by unanimous voice vote.

Works Requests

Form was submitted to the Governing Board for the following:

Procedure for providing interpretations on individual products - Ellen Thompson, NE

Mike Bailey made the motion against SLAC taking up the work request submitted by Nebraska. The motion was seconded. A roll call vote was taken. The motion passed with 16 votes in favor of not taking up the work request and 5 opposed.

Old Business
None

New Business
Craig is accepting nominations for the SLAC Steering Committee.

Comments/Announcements
Alison expressed her appreciation to Craig, Jody and Christie as well as workgroup leaders Chad Paulson and Scott Peterson.

Adjournment
The meeting was adjourned.

Streamlined Sales Tax Governing Board, Inc.

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: 11/20/2017

Name of State or Person(s) submitting request: Nebraska

Contact Person: Blaine Kreikemeier

Address: 1313 Farnam Street, Suite 100, Omaha, NE 68102-1836

Phone: 402-595-3825 **Email:** blaine.kreikemeier@nebraska.gov

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.)

Section 335 – Tax Administration Practices; Interpretations of Agreement; Appendix M; possibly Part II – listings contained in Product Definitions.

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

Nebraska's compliance with the SSUTA due to four medical products in Appendix M.

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.)

SSUTA Appendix M treats Gastric Bands, Implant Expander - Tissue & Breast, and Intragastric Balloons as Prosthetic Devices, and Wheelchair Cushions – Brace/Support as Durable Medical Equipment. NE treats them as TPP that does not meet one of the SSUTA defined medical terms or a state specific definition. NE's departure from Appendix M on these four medical products was reviewed by the Governing Board, and NE was not found substantially out of compliance with the SSUTA. After NE was not found substantially out of compliance, a work group was formed to define substantial compliance. The workgroup brought forward an amendment to SSUTA Section 805 that states: "A state…must comply with each requirement set forth in the Agreement." The amendment was voted on and passed by the Governing Board in October 2017. The amendment will be voted on by the Governing Board again in December 2017. This was discussed with the Streamlined Executive Director, and if the amendment is passed in December 2017 then NE may be found substantially out of compliance and have two years to come back into compliance.

A survey was sent out in 2/2007, when the medical product lists were being created, to ask the 14 member states if Gastric Bands, Implant Expander - Tissue & Breast, and Intragastric Balloons met the requirements of the Prosthetic Device definition. The survey was sent out since the states were not in agreement on the treatment of these products. I included the information about this survey to show that at the time appendix L & M were being created the 14 member states were not in agreement with including these medical products in the definition of a prosthetic device.

A recent survey of the 64 "Not Defined" medical products from Appendix L & M was sent out to the 24 member/associate member states. None of the 64 "Not Defined" medical products were treated the same by all 24 states. Due to the results of the survey the "Medical Products Listing" Workgroup is looking at including the "Not Defined" medical products on the Taxability Matrix, and having each state disclose for each "Not Defined" medical product if they treat it as meeting one of the SSUTA defined medical terms, meeting an other state specific definition, or treated as TPP that does not meet one of the SSUTA defined medical terms or a state specific definition. I included the information about this survey to show that the "Medical Products Listing" Workgroup is working on a solution for the medical products that the states differ on, which is part of the below proposed resolution.

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.)

NE is requesting to have the "Medical Products Listing" Workgroup include Gastric Bands, Implant Expander - Tissue & Breast, and Intragastric Balloons (that are currently treated as a Prosthetic Device in Appendix M), and Wheelchair Cushions – Brace/Support (that is currently treated as Durable Medical Equipment in Appendix M) in their review of the "Not Defined" medical products in Appendix L & M.

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: Click here to enter name. **Date**: Click here to select a 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.)

20190	Specific Disaster preparedness fastening supply	0				
20070	School supply	0				
20080	School art supply	0				
20090	School instructional material.	0				
20100	School computer supply	0				
20105	All WaterSense products. If only specific WaterSense products or specified WaterSense classifications on the WaterSense listing, list those below.	0				
20105	Insert lines as necessary	0				
Reference Number	**Other products defined in Part II of the Library of Definitions included in your state sales tax holiday.**	**Amount of Threshold**	**Taxable**	**Exempt**	**Statute/Rule Cite**	**Comment**
20120	Insert lines as necessary					
20130	Clothing					
20110	Computers					
C. Product Definitions			**Treatment**		**Reference**	
Reference Number	**Clothing and related products**		**Taxable**	**Exempt**	**Statute/Rule Cite**	**Comment**
20010	Clothing					
20011	Diapers - Childrens					
20012	Diapers - Adults					
20015	Essential clothing priced below a state specific threshold					
20050	Fur clothing					
20020	Clothing accessories or equipment					
20030	Protective equipment					
20040	Sport or recreational equipment					
Reference Number	**Computer related products**		**Taxable**	**Exempt**	**Statute/Rule Cite**	**Comment**
30100	Computer					
30040	Prewritten computer software					
30050	Prewritten computer software delivered electronically					
30060	Prewritten computer software delivered via load and leave					
30015	Non-prewritten (custom) computer software					
30025	Non-prewritten (custom) computer software delivered electronically					
30035	Non-prewritten (custom) computer software delivered via load and leave					

51090	Medical oxygen for human use without a prescription					
51100	Medical oxygen for human use with a prescription					
51130	Over-the-counter drugs for human use without a prescription					
51140	Over-the-counter drugs for human use with a prescription					
51170	Grooming and hygiene products for human use that don't meet the definition of "drug"					
51171	Grooming and hygiene products for human use that meet the definition of "drug" without a prescription					
51172	Grooming and hygiene products for human use that meet the definition of "drug" with a prescription					
51175	Feminine hygiene products					
51190	Over-the-counter drugs for human use to hospitals					
51195	Over-the-counter drugs for human use to other medical facilities					
51200	Prescription drugs for human use to hospitals					
51205	Prescription drugs for human use to other medical facilities					
51240	Free samples of drugs for human use					
51250	Free samples of prescription drugs for human use					
Reference Number	**Drugs for animal use**		**Taxable**	**Exempt**	**Statute/Rule Cite**	**Comment**
51030	Drugs, other than over-the-counter drugs, for animal use without a prescription					
51040	Drugs, other than over-the-counter drugs, for animal use with a prescription					
51070	Insulin for animal use without a prescription					
51080	Insulin for animal use with a prescription					
51110	Medical oxygen for animal use without a prescription					
51120	Medical oxygen for animal use with a prescription					
51150	Over-the-counter drugs for animal use without a prescription					
51160	Over-the-counter drugs for animal use with a prescription					
51180	Grooming and hygiene products for animal use					
51210	Over-the-counter drugs for animal use to veterinary hospitals and other animal medical facilities					
51220	Prescription drugs for animal use to veterinary hospitals and other animal medical facilities					
51260	Free samples of drugs for animal use					

302010		Is the tax base for local jurisdictions identical to the state tax base, excluding (1) federal prohibitions~~,~~; (2) motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes~~,~~; (3) fuels used to power motor vehicles, aircraft, locomotives, or watercraft~~, or~~ ; (4) electricity, piped natural or artificial gas or other fuels delivered by the seller; and (5) energy as defined in Section 302(4)?				327
302020		Does the tax base differ for state and local jurisdictions for motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes?				
302030		Does the tax base differ for state and local jurisdictions for fuels used to power motor vehicles, aircraft, locomotives or watercraft?				
302040		Does the tax base differ for state and local jurisdictions for electricity, piped natural or artificial gas or other fuels delivered by the seller?				
302050		Does the tax base differ for state and local jurisdictions for "energy" as defined in Section 302(4)?				
Section 303	**Seller registration**					
303010		Is the state capable of pulling registration information from the central registration system?				
303020		Does the state exempt a seller without a legal obligation to register from paying registration fees?				
303030		Does the state allow a seller to register on the central registration system without a signature?				
303040		Does the state allow an agent to register a seller on the central registration system?				

305130		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?				328
305140		2. Do those databases meet the requirements of the Federal Mobile Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?				
Section 306	**Relief from certain liability**					
306010		Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for collecting the incorrect amount of tax because of reliance on state provided data on rates, boundaries, and jurisdiction assignments?				
Section 307	**Database requirements and exceptions**					
307010		A. Does the state provide a database per Section 305, in downloadable format?				
307020		If the state designates a vendor to provide the Section 305 database does the vendor's database meet the requirements of Sections 305, 306 and 307 and is provided at no cost to the user of the database?				
Section 308	**State and local tax rates**					
308010		A1. Does the state have more than one state sales and use tax rate on items of personal property or services ~~except for~~ other than (1) fuel used to power motor vehicles, aircraft, locomotives, or watercraft~~,~~; (2) ~~or to~~ electricity, piped natural or artificial gas, or other fuels delivered by the seller~~,~~; (3) ~~or~~ the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes; or (4) energy as defined in Section 302(4)?				

318010		A. Does the state require the filing of only one tax return for each taxing period for each seller for the state and all local jurisdictions?				
318020		B.1. Does the state require that returns be filed no sooner than the twentieth day of the month following the month in which the transaction occurred?				
318030		B.2. Does the state provide when the due date for a return falls on a Saturday or Sunday or legal holiday, the return shall be due the next succeeding business day.				
318040		C.1. Does the state accept the SER approved by the governing board?				
318050		C 2. Does the state require the submission of exemption information on part 2 of the SER, excluding Model 4 sellers without a legal requirement to register?				
318060		C.3. Does the state allow Model 1, Model 2, and Model 3 sellers to submit its sales and use tax returns in a simplified format that does not include more data fields than permitted by the governing board?				
318070		C 3.c. Does the state allow a model 4 seller to file an SER?				
318080	Effective 1-1-2013	C.3.d. Does the state allow sellers not registered under the Agreement to file an SER?				
318090		D. Does the state require the filing of a return from a seller who registers under the Agreement and indicates that it anticipates making no sales that would be sourced to that state?				
318095	Required by 1-1-2019	E. Has the state adopted webservices as the standardized transmission process that allowes for receipt or uniform tax returns and other formatted information approved by the Governing Board?				

321040		H. Does the state provide that if anyone other than a member state or person authorized by state law or the Agreement seeks to discover personally identifiable information, state makes reasonable and timely effort to notify the individual of the request?				
321050		I. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?				
Section 322	**Sales tax holidays**					
322010		A. Does the state have sales tax holidays?				
322020		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in Part II or Part III(B) of the Library of Definitions and apply the exemptions uniformly to state and local sales and use taxes?				
322030		2. If a state has a holiday, does the state provide notice of the holiday at least 60 days prior to first day of the calendar ~~quarter~~ month in which the holiday will begin?				
322040		3. If a state has a holiday, does the state apply an entity or use based exemption to items?				
322050		3. If a state has a holiday, does the state limit a product based exemption to items purchased for personal or non-business use?				
322060		4. If a state has a holiday, does the state require a seller to obtain an exemption certificate or other certification from a purchaser for items to be exempted during a sales tax holiday?				
322070		B1. If a state's holiday includes a price threshold, does the state provide that the threshold includes only items priced below threshold?				

322080		B2. If a state's holiday includes a price threshold, does the state exempt only a portion of the price of an individual item during holiday?				331
322090		C. Does the state meet each of the procedural requirements for holidays?				
322100		1. Layaway sales?				
322110		2. Bundled sales?				
322120		3. Coupons and discounts?				
322130		4. Splitting of items normally sold together?				
322140		5. Rain checks?				
322150		6. Exchanges?				
322160		7. Delivery charges?				
322170		8. Order date and back orders?				
322180		9. Returns?				
322190		10. Different time zones?				
Section 323	**Caps and thresholds**					
323010		1. Does the state have any caps or thresholds on the application of rates or exemptions based on the value of a transaction or item other than clothing, motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile home or instances where the burden of administration has been shifted from the retailer?				
323020		2. Does the state have any caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?				
323030		B. Do local jurisdictions within the state that levy sales or use tax have caps or thresholds on application of rates or exemptions that are based on value of transaction or item?				
323040		D.1. Does the state have cap or threshold on the value of ~~essential~~ clothing?				

323050		D.2. If the state has a threshhold on clothing, does the state meet each of the following requirements:				332
323060		a. Either provide that (1) the entire price if the item is taxable if the price is over the threshold or (b) only the portion of the price of each item over the threshhold is taxable?				
323070		b. The price threshhold of each individual item is greater than $110?				
323080		c. If the state adopts a clothing threshhold under this Section of the Agreement and a sales tax hholiday on clothing under Section 322 of the Agreement, does the state provide that the clothing threshhold under this Section does not apply during the sales tax holiday on clothing?				
Section 324	**Rounding rule**					
324010		1. Does the state provide that the tax computation must be carried to the third decimal place?				
324020		2. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after?				
324030		B.1. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?				
324040		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?				
Section 325	**Customer refund procedures**					

327030	SSTGB RULES 327.1, APPENDIX L ~~and M~~ (Health Care List~~s~~) and APPENDIX N (Candy Products) and CRIC INTERPRETIVE OPINION 2006-5	C. Except as provided in Sections 316 and 332 and Library, can the state confirm that it imposes tax on all products and services included within each Part II or Part III(B) definition or exempt from tax all products or services within each definition, including all products and services listed in the rules, appendices and interpretive opinions adopted by the Governing Board?				333
Section 328	**Taxability matrix**					
328010		A1. Has the state completed the Library of Definitions portion of the taxability matrix in the downloadable format approved by Governing Board?				
328020		A2. Has the state completed the Tax Administration Practices portion of the taxability matrix in the downloadable format approved by the Governing Board?				
328030		B. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?				
328040		C.Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in the Library of Definitions section of the taxability matrix?				
328060		E. If the state taxes specified digital products, has the state noted such in the Library of Definitions section of the taxability matrix?				
328070		F. If the state has a sales tax holiday, has the state noted the exemption in the Library of Definitions section of the taxability matrix?				
Section 329	**Effective date for rate changes**					

AD070	SSTGB RULES 327.4, 327.7 and 327.9 and AMENDED DEFINITION ON SEPTEMBER 16, 2015 RELATING TO THE EXCLUSION FOR CERTAIN FEDERAL EXCISE TAXES AND FEES	Sales price				
AD080		Telecommunications nonrecurring charges				
AD090	CRIC INTERPRETIVE OPINION 2009-1	Tangible personal property				
Part II	**Product definitions**	**CLOTHING**				
PD010		Clothing				
PD020		Clothing accessories or equipment				
PD022		Diapers				
PD030		Essential clothing				
PD040	CRIC INTERPRETIVE OPINION 2006-5	Fur clothing				
PD050		Protective equipment				
PD060		Sport or recreational equipment				
		COMPUTER RELATED				
PD070		Computer				
PD080	CRIC INTERPRETIVE OPINION 2009-1	Computer software				
PD090		Delivered electronically				
PD100		Electronic				
PD110		Load and leave				
PD120	SSTGB RULES 309.2 amd 309.5 and CRIC INTERPRETIVE OPINION 2009-1	Prewritten computer software				