

Streamlined Sales Tax Governing Board

Four Points by Sheraton
Charleston, West Virginia

October 1-3, 2019

SCHEDULE OF MEETINGS

Eastern Time

Tuesday, October 1, 2019

State and Local Advisory Council (SLAC) Meeting- Capitol City Suite A

Full Group Meeting – 8:30 AM to 5 PM

Breakfast – Available 7:00 to 8:00 AM Pre-Function Space, 1st floor

Lunch – Available 12:00 to 1:00 PM Pre-Function Space, 1st floor

Wednesday, October 2, 2019

Business Advisory Council Meeting (BAC) – 8:30 to 10:30 AM- Kanawha River Suite

Executive Committee Meeting- Capitol City Suite A

- 8:30 to 10:30 AM- Closed Session
- 10:45 to Noon- Open Session

Governing Board Meeting - 1:00 to 5:00 PM - Capitol City Suite A

Breakfast – Available 7:00 to 8:00 AM Pre-Function Space, 1st floor

Lunch – Available 12:00 to 1:00 PM Pre-Function Space, 1st floor

Evening Reception/Dinner- 5:30-8:00 PM- Capitol City Suites B&C (Dinner at 6:30pm)

Thursday, October 3, 2019

Governing Board Meeting – 8:30 AM to Noon - Capitol City Suite A

Breakfast – Available 7:00 to 8:00 AM Pre-Function Space, 1st floor

On-Site Registration

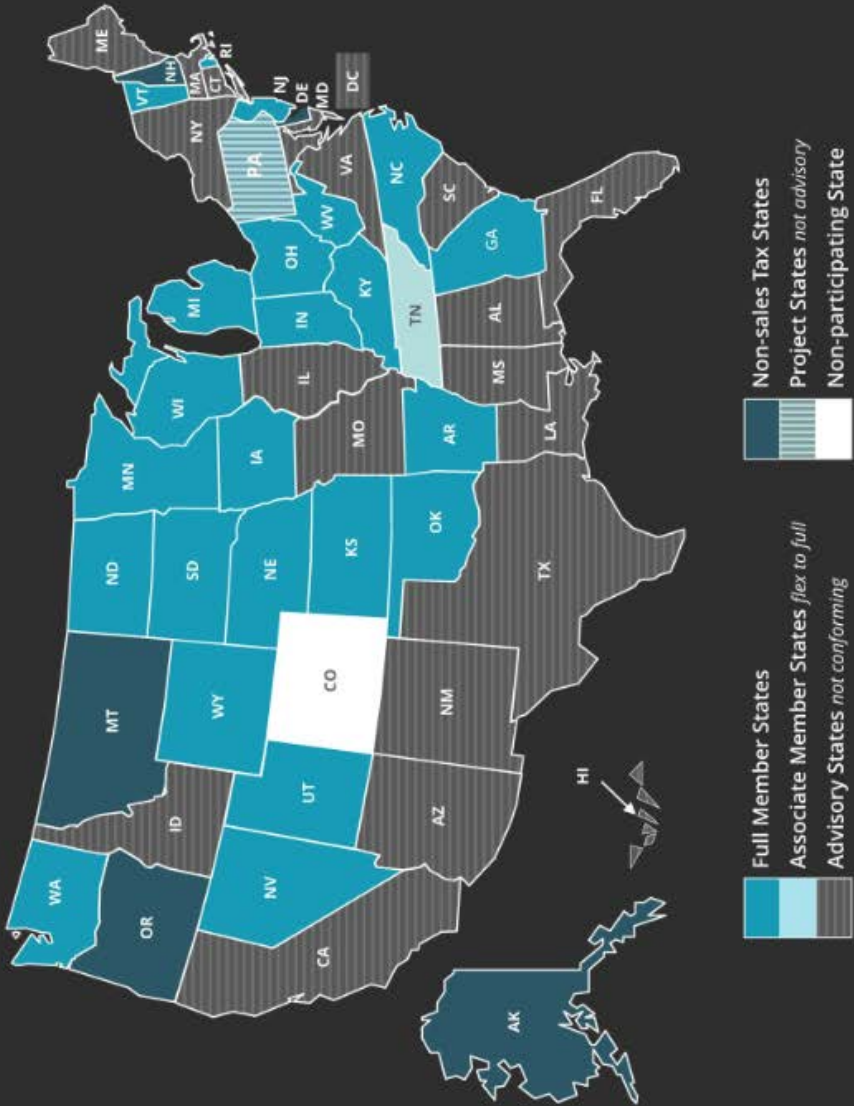
Meeting publications, name badges and registration fee payments – near meeting rooms:

Tuesday, October 1 - 7:30 AM – 3:00 PM

Wednesday, October 2 - 7:30 AM – Noon

Streamlined State Status 10-1-19

Member State Map



Full Member States

- | | |
|----------------|---------------|
| Arkansas | North Dakota |
| Georgia | Ohio |
| Indiana | Oklahoma |
| Iowa | Rhode Island |
| Kansas | South Dakota |
| Kentucky | Utah |
| Michigan | Vermont |
| Minnesota | Washington |
| Nebraska | West Virginia |
| Nevada | Wisconsin |
| New Jersey | Wyoming |
| North Carolina | |

Associate Member States

- Tennessee

Pre-Registered Attendees

Last Name	First Name	Agency/Company	Email	Phone
Acree	Stacy	West Virginia State Tax Department	stacy.l.acree@wv.gov	(304) 558-8714
Angell	Dana	WV STATE TAX DEPARTMENT	Dana.K.Angell@wv.gov	(304) 558-8533
Atchley	Tom	Arkansas Department of Finance and Administration	tom.atchley@dfa.arkansas.gov	(501) 682-7200
Auger	Ellen	Minnesota Dept. of Revenue	elle.auger@state.mn.us	(651) 556-6715
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Haws	Lisa	Oklahoma Tax Commission	lhaws@tax.ok.gov	(405) 521-3133
Helton	Virgil	Fast Enterprises, LLC	vhelton@fastenterprises.com	(877) 275-3278
Hemphill	Brooks	N.C. Dept. of Revenue	brooks.hemphill@ncdor.gov	(919) 814-1111
Hopkins	Merry	Minnesota Dept. of Revenue	merry.hopkins@state.mn.us	(651) 556-6862

Pre-Registered Attendees

Last Name	First Name	Agency/Company	Email	Phone
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Pre-Registered Attendees

Last Name	First Name	Agency/Company	Email	Phone
Russell	Jean	AT&T	jr0391@att.com	(404) 216-2462
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Scott	Robert	City of Carrollton, Texas	bob.scott@cityofcarrollton.com	(972) 466-9103
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Stanley	Laura	Ohio Department of Taxation	laura.stanley@tax.state.oh.us	(614) 644-5764
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Wilson	Patti	WA Department of Revenue	pattiw@dor.wa.gov	(360) 534-1610

Streamlined Sales Tax Governing Board Meeting

Charleston, WV

(1:00 - 5:00 PM eastern, Wednesday, October 2, 2019)

(8:30 AM - Noon eastern, Thursday, October 3, 2019)

(Note: The Governing Board and CSPs will move into closed session at approximately 4:00 pm eastern on Wednesday afternoon)

1. Welcome and roll call of member states
2. Opening Remarks
3. Review and Approval of Governing Board Meeting Minutes
 - May 2019 Governing Board Meeting Minutes – [MM19002](#)
4. Status of Federal eFairness Legislation and Federal Activities – Randi Reid
 - Senate – Stop Taxing Our Potential Act of 2018 (S.3180) – [MC18003](#)
 - House – Protecting Businesses from Burdensome Compliance Costs Act of 2018 (HR 6724) – [MC18004](#)
 - House – Online Sales Simplicity and Small Business Relief Act of 2018 (HR 6824) – [MC18005](#)
5. Implementing Remote Seller Collection Authority in view of the *Wayfair* Decision - [SL18013A03](#)
 - Issues Being Encountered
 - Education and Outreach
 - CSP Related Issues
6. Nonmember State Engagement and Model Legislation – [MC19006](#), [MC19008](#), [MC19009](#)
 - Minimum Requirements from Business Perspective
 - Minimum Requirements to Participate in CSP Contract
7. CSP Contract Discussions – CLOSED SESSION (Approximately 4 pm eastern)
(Note: This session will only be open to the states and the certified service providers.)
8. Marketplace Facilitators – NCSL Draft – Panel and CSP Discussion – [MC19007](#)
9. MTC - Remote Sales Tax Collection Activities and Status – Richard Cram [Presentation](#)
10. Reports of Committees
 - Executive Committee – Rep. Brian Kennedy (RI), President
 - Federal Legislative Affairs Update
 - Status of CSP Contract Renegotiations
 - Finance Committee – Diane Hardt (WI), Chair
 - Financial Report - 4th Quarter FYE 6/30/2019 - [FC19006A01](#)
 - Annual Final Report for FYE 6/30/2019 - [FC19007A01](#)
 - FYE 6/30/20 Proposed Budget Amendment – [FC18009A03](#)
 - FYE 6/30/21 Proposed Budget – [FC19008](#)
 - Compliance Review and Interpretations Committee – David Steines (WI), Chair
 - Annual State Compliance Reviews Report – [CI19003A01](#)

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- State and Local Advisory Council – Richard Dobson (KY) and Laura Stanley (OH)
 - Report of St. Paul meeting – August 2019
 - Implementing Remote Sales Tax Collection Authority
 - Common Questions – [SL18012A04](#)
 - Chart of States Implementation Information - [SL18013A03](#)
 - Certification Committee – Tim Bennett (KY), Chair
 - Report of St. Paul meeting – August 2019
 - Issues being addressed by Certification Committee
 - Multiple Returns/SSTID per FEIN – [SL19003](#)
 - Alternate Rate and Boundary Database
 - Additional Taxes Being Reported on SER - [SL19001](#)
 - Audit Committee – Ellen Auger (MN) and Darrell Engen (ND), Co-Chairs
 - Report of St. Paul meeting – August 2019
 - Upcoming Contract Compliance Audits
 - Upcoming State Tax Compliance Audits
 - Necessity and Use of Expanded Test Decks
 - Improvements to CSP Audit Process
11. Business Advisory Council (BAC) Report – Fred Nicely (COST/BAC)
12. CSP Report and Issues to Discuss With Governing Board
13. Executive Director Updates and Reminders – Craig Johnson
- CSP Contract Discussions
 - Status of Streamlined Registrants and Collections
 - Outreach to Nonmember States
14. Proposed Amendments to SSUTA for Discussion and Possible Action
- Section 401.D Notifying Sellers of Other Possible Taxes – [SL19006A03](#)
 - Section 302 and 308 – Alternate Rate and Base Databases – [AM19001](#)
 - Product Definitions - Breast Pumps – [SL19021](#)
15. Proposed Amendments to Rules for Discussion and Possible Action
- Rule 401.2 – [SL19017A01](#)
16. Election of Officers and Directors for 2020 – [NC19002](#)
17. Election of Nominating Committee for 2020 – [NC19003](#)
18. Old Business
19. New Business – Open Discussion
20. Adjournment



Streamlined Sales Tax Governing Board Meeting Minutes
Tuesday, May 7, 2019, 1:00 pm – 5:00 pm mountain
The Graduate Hotel, Providence, RI

Welcome and roll call of member states

President Brian Kennedy welcomed everyone and called the meeting to order at 1:00 pm eastern. The roll of the states was called, 20 full member states, and 1 associate member state were participating, and the quorum was established. Kansas, Vermont and West Virginia were absent.

Opening Remarks

President Brian Kennedy welcomed Rhode Island Secretary of State Nellie Gorbea, who spoke about the history of Rhode Island and provided a welcome to the attendees.

Approval of December 2018 Governing Board Meeting Minutes – MM19001

President Kennedy asked the attendees to review the minutes of the prior meeting and offer up any corrections or additions. No comments were received. Tim Jennrich moved to approve the minutes. A voice vote was taken, and was unanimous, the motion carried.

Status of Federal eFairness Legislation – Randi Reid

Randi Reid provided the legislative update. See PowerPoint located [here](#). Randi stated she is available for questions and encouraged people to reach out to her directly.

Status of Individual State Remote Sales Tax Collection Legislation and Litigation

Craig Johnson asked each state to report on their status of implementation. Document SL18013A01 was reviewed and updates were made as necessary. Christie will continue to update the chart and a new version will be posted to the library.

Implementing Remote Seller Collection Authority in view of the Wayfair Decision

Craig Johnson presented article MC19005- Member States Working Together to Inform Its Registrants of Possible Collection Requirements in Other Member States. He stated businesses need to be aware they may have collection requirements in other states. If each state informs their own sellers they may owe tax in other states, every member state is helping every other member state. Various discussions took place about how states reach out to their sellers. Diane Hardt added that with their GenTax software, they have the ability to send messages to everyone that has opted in. Diane thought that about 90% of registered taxpayers have opted in. Michael Eschelbach stated Michigan could post it on their website and in their newsletter. Neil Downing (RI) asked if they could use the article as provided. Craig stated the article is in draft form for each state to personalize, and they can do so immediately if desired. Mike Walsh noted a similar question was placed in Nebraska's FAQs and if each member state shared this article, the audience would be vast. Richard Dobson encouraged each state to follow through and share the article in some way before the next Governing Board meeting. States were in agreement that the easiest way to get the word out to all sellers would be for each state to educate their sellers about remote



seller collection requirements in other states and provide links to the Streamlined remote sellers page.

Reports of Committees

Executive Committee – Rep. Brian Kennedy (RI), President

- Report on Closed Session
- 2019 Sanctions Recommendation – GA
- New Class of Membership
- CSP Contract Negotiations

Rep. Brian Kennedy provided the report of the Executive Committee. He reported during the closed session, the Executive Committee voted on compensation and hours of the SSTGB staff. They also voted on an issue brought forth by the state of Washington regarding whether or not a particular seller qualified as a “volunteer seller” under the CSP contract. The determination was that the particular seller did not qualify as a volunteer seller in Washington.

Rep. Kennedy moved on to the Georgia compliance issues regarding the good faith requirement for accepting exemption certificates, their inability to accept the SER from sellers other than Model 1 sellers, the cap of \$35,000 in tax on boat repairs and the exemption for food from local tax in one jurisdiction. He stated that the sanctions being recommended have been in effect for the past two years, and we have been trying to work with Georgia on ways to get them back in to compliance. Representative Kennedy asked for discussion. Fred Nicely of the BAC stated they did not talk about this issue in the Business Advisory Council meeting that morning. Based on prior conversations, the BAC does want to see Georgia get back in compliance. They understand SLAC is working on modifying the SER. He believes the sanctions are important and would like to see Georgia back in compliance. Amy Oneacre stated Georgia has no comments. Clark Jolley motioned to adopt the sanctions. Mike Walsh asked that the SER portion of the sanctions be voted on separately, as Nebraska would not vote out of compliance based on that issue.

Tim Jennrich asked to amend the motion to separate and remove the SER acceptance wording from the sanctions recommendation. A voice vote was taken and was unanimous. Tim Jennrich then motioned to accept the sanctions recommendations based on the SER acceptance language. A voice vote was taken but was not unanimous. Therefore, a roll call vote was taken. All were in favor, except for the state of Nebraska. Motion carried.

Craig Johnson spoke about a new class of membership or something similar in hopes to get non-member states involved. He is looking to identify the requirements contained in the SSUTA that non-member states would be willing to use that would be helpful in getting them involved in the Governing Board and also help make them less likely to be subject to an “undue burden” challenge by remote sellers. If non-member states do not do something to simplify their requirements and remove the “undue burden” on remote sellers, it is very likely that some remote seller will challenge whether or not they can be required to collect and remit the state and local sales and use tax. Document EC19002 lays out various items of importance that non-member states could



adopt and participate in, such as the central registration system, the CSP contract, the rate and boundary databases, the taxability matrix (identifying differences), etc. If a non-member state did these things, they would not be a full member but it would help them remove the undue burdens on remote sellers.

Fred Nicely stated when the Wayfair decision happened there was a lot of interest in getting non-member states involved. We never got into the weeds about what this would look like. Before we had the January planning meeting, he thought laying out the sections in the agreement would be a good idea. After seeing EC19002 the BAC has issues with trying to create a new class of membership. They would rather see an advisory state status, where people could use central registration and CSP services if they did a few things in this document. There should be no new type of membership but allow a path for what a non-streamlined state would have to do to use Central Registration and CSP services. The BAC developed EC19003 for consideration.

Many of the meeting attendees supported the BAC that there should not be a new class of membership. Steve DelBianco stated he has been suggesting nonmember states use a centralized registration system. He commended Craig for the thoughtfulness of EC19002. He agrees that the second document, EC19003 will sell better, but could get us to the same place. He suggests instead of asking states to cherry pick what they want, give them the costs and options, then see how that sells.

Various additional discussions took place on this topic and it was agreed that this should be discussed further at the next meeting.

The next topic was CSP Contract Negotiations. Richard Dobson stated the MLM and Marketplace Facilitator issues need to be addressed. He indicated they should be addressed in the CSP contract and not the SSUTA. David Campbell noted he has been working with the Contract Negotiating Committee to define marketplace facilitators and multilevel marketers. He understands you don't want to define a business model in the SSUTA, but if there is going to be a definition, the MLMs need to be in the room when the definitions are agreed upon. Craig Johnson stated the current definitions are in the contract and should remain there.

The comments made so far are indicative that it may be dangerous to try to add these types of definitions to the SSUTA and since they apply to the CSP contract, that is where they should be defined. Senator Cook stated if any changes are made in the SSUTA he has to enter a bill into the legislature to be discussed with people who have varying degrees of knowledge. David Campbell stated he doesn't want to see any additional language in the CSP contract as there is already a mechanism in the contract allowing a state to challenge a volunteer status. Craig indicated that since the MLM and marketplace facilitator issues have been identified as needing to be addressed, that while he agrees with David that there is a process for a state to challenge the "volunteer status" of these types of entities, the states and presumably the business community want clarity on this rather than each state having to go through the process with the CSP, seller and Executive Committee to get a determination. The Contract Negotiating Team will continue to work on this issue.



Finance Committee – Diane Hardt (WI), Chair

- Financial Report – 1st, 2nd and 3rd Quarter FYE 6/30/2019 – FC19001, FC19002, FC19003
- Proposed Revisions to FYE 6/30/20 FC18009A02
- FYE 6/30/18 Audited Finance Statements FC19004 and FC19005

Diane Hardt stated Streamlined is in stable financial condition. Our actual expenses are pretty much in line with our budgeted amounts. Diane Hardt motioned to approve FC19001, FC19002 and FC19003. A voice vote was taken and was unanimous. The motion carried.

FC18009A02 contains the proposed revisions to the FYE 6/30/2020 budget. Diane and Craig walked through those documents and explained the proposed changes.

Craig stated FC19004 and FC19005 represent the report that was issued relating to the independent financial statement audit that was completed by SnyderCohn. The audit did not result in any changes to the numbers previously reported by our accountant and discussed at the last Governing Board meeting. Craig indicated that he was pleased with the report and the work of our accountant, Carol Faulb. Diane asked for any discussion or questions.

Diane Hardt motioned to approve FC18009A02, FC19004 and FC19005. A voice vote was taken and was unanimous. The motion carried.

Compliance Review and Interpretations Committee – David Steines (WI), Chair

- Annual State Compliance Reviews

David Steines reviewed the proposed annual state compliance timeline. The goal is to complete the reviews as early as possible and ideally be able to vote on each state's compliance at the in-person October Governing Board meeting. Craig Johnson asked states to please try to complete and submit their annual compliance reviews as soon as possible after July 1. David also asked CRIC committee members and the states to mark the dates on their calendar to make sure they can be available for the calls. Fred Nicely stated the reviews went very smoothly last year from the BAC's perspective. He is hopeful the reviews can be reviewed and voted on at the in-person meeting as well, and not at a teleconference.

State and Local Advisory Council – Richard Dobson (KY), Chair, Laura Stanley (OH), Vice-Chair

- Report of Chandler meeting – February 2019
- Implementing Remote Sales Tax Collection Authority
- Common Questions – SL18012A03
- Section 401.D Requirements – SL19002
- Draft Language For Consideration Relating to Section 401.D- SL19006
- Sourcing Services – SL19005
- Revisions to SER and Allowing the Reporting of Other Taxes – SL19001, SL19003
- Digital Goods Workgroup – SL19004



Richard Dobson provided the SLAC report. He stated several work groups had been established after the planning meeting. The common questions document has continued to be refined since the emergency Governing Board meeting in July 2018. Member states will be receiving follow up questions and surveys to provide further guidance. The document that will be published has been edited and refined by all member states. David Campbell asked that the consideration of adding the look back period be included in this document as it has not been consistent between states.

Richard stated four SLAC work requests were developed and received after the last meeting.

Fred Nicely thanked Richard for the Section 401.D Requirements – SL19002 work group. The BAC believes it is important to educate and inform businesses as soon as possible about any other tax obligations the business may have. Their biggest concern however is using wording that everyone is comfortable with. He looks forward to working with the group to finesse the current language.

Laura Stanley reported the SL19005 Sourcing of Services workgroup had a few meetings with minimal participation. There were no specific issues that came up that need to be addressed at this time. The BAC agreed the group is not needed at this time but may need to form again in the future.

With respect to work request SL19004 relating to digital goods, the workgroup met and agreed to stop working on this due to pending federal legislation. It was group consensus to wait to see if anything happens at the federal level.

With respect to work request SL19001 relating to Revisions to the SER, that work request was passed to the certification committee for further discussion and development.

Certification Committee – Tim Bennett (KY), Chair

- Report of Chandler meeting – February 2019
- Issues being addressed by the Certification Committee
 - Possible SER Scheme Changes

Tim Bennett reported that the Certification Committee met in Chandler in February. The registration system changes allowing businesses to pick and choose states went into effect during the meetings. The CSPs provided demos of their testing systems to the attendees in separate closed meetings. Tim also reported that in the past 30 days, there has been one application request for a new CSP candidate.

Audit Committee –Ellen Auger (MN) and Darrell Engen (ND), Co-Chairs

- Report of Chandler meeting – February 2019
- Necessity and Use of Expanded Test Decks
- Issues Being Addressed by Audit Committee
- Upcoming Contract Compliance Audits



Shannon Fleisher provided the Audit Committee report on behalf of Ellen and Darrell. The Audit Committee is discussing replacing Sharefile with a Data Warehouse to make the exchange of large files between the CSPs and states more efficient, with a focus on security. There is an ongoing pilot mapping project which most states have agreed to participate in. A few sellers will be assigned to each state to review how the seller is mapping their products to the CSP certified codes. Questions will be forwarded to the CSPs. The Audit Committee is reminding states to periodically confirm the CSP product category codes are still correct. The codes can be submitted to the CSPs in the form of a Test Deck, and the CSP will reply with their results which will help identify any discrepancies. The goal is to minimize the time states spend on tax compliance audits with the CSPs.

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

Fred Nicely reported the BAC feels it is important for states to not take action that may lead to them being out of compliance with the SSUTA. The BAC also would like the Executive Committee to remain balanced with 5 legislators and 5 tax administrators and believes legislator involvement is very important. If something happens with digital goods at the federal level, they would like SST to quickly address the issue. The BAC also wanted to reiterate they are not in support of a new class of membership but are in support of creating a blueprint of what states would have to do to participate in central registration and the CSP contract. They would like to see a work group formed to address this.

CSP Report and Issues to Discuss With Governing Board

David Campbell discussed conversations he has had with Connecticut and Pennsylvania. Chad Paulson of Avalara would like to see the SER workgroup move forward to be able to report different types of tax. He is seeing more and more issues with filing frequency changes when a new seller comes on board. There needs to be a consensus resolution from the states on how they are going to handle this. Craig Johnson stated the issue will go to the Certification Committee to look at as well as language regarding funding after the due date.

Executive Director Updates and Reminders – Craig Johnson

Craig Johnson provided Executive Director report with this [PowerPoint](#).

Old Business

None

New Business

Larry Molnar stated Indiana has begun a 4 phase, over 5 years rollout of a new system with FAST Enterprises.

Adjournment

Richard Dobson motioned to adjourn the meeting at 11:20 am Eastern.

115TH CONGRESS
2D SESSION

S. 3180

To regulate certain State impositions on interstate commerce.

IN THE SENATE OF THE UNITED STATES

JUNE 28, 2018

Mr. TESTER (for himself, Mrs. SHAHEEN, Mr. MERKLEY, and Ms. HASSAN)
introduced the following bill; which was read twice and referred to the
Committee on Finance

A BILL

To regulate certain State impositions on interstate commerce.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Taxing Our Po-
5 tential Act of 2018”.

6 **SEC. 2. MINIMUM JURISDICTIONAL STANDARDS FOR STATE**
7 **AND LOCAL SALES AND USE TAX COLLEC-**
8 **TION.**

9 (a) IN GENERAL.—A State may not—

10 (1) impose an obligation on a person for—

1 (A) the collection of a sales tax, use tax,
2 or any similar tax; or

3 (B) the reporting of any information with
4 respect to a tax described in subparagraph (A);

5 (2) assess any tax described in paragraph
6 (1)(A) on a person; or

7 (3) treat a person as doing business in a State
8 for purposes of any tax described in paragraph
9 (1)(A),

10 unless such person had a physical presence in the State
11 during the calendar quarter with respect to which such
12 obligation or assessment is imposed.

13 (b) REQUIREMENTS FOR PHYSICAL PRESENCE.—

14 (1) IN GENERAL.—For purposes of subsection

15 (a), a person has a physical presence in a State only
16 if such person's business activities in the State in-
17 clude any of the following during the calendar quar-
18 ter:

19 (A) Maintains its commercial or legal
20 domicile in the State.

21 (B) Owns, holds a leasehold interest in, or
22 maintains real property such as a retail store,
23 warehouse, distribution center, manufacturing
24 operation, or assembly facility in the State.

1 (C) Leases or owns tangible personal prop-
 2 erty (other than computer software) of more
 3 than de minimis value in the State.

4 (D) Has one or more employees, agents, or
 5 independent contractors present in the State
 6 who provide on-site design, installation, or re-
 7 pair services on behalf of the remote seller.

8 (E) Has one or more employees, exclusive
 9 agents or exclusive independent contractors
 10 present in the State who engage in activities
 11 that substantially assist the person to establish
 12 or maintain a market in the State.

13 (F) Maintains an office in the State at
 14 which it regularly employs three or more em-
 15 ployees for any purpose.

16 (2) DE MINIMIS PHYSICAL PRESENCE.—For
 17 purposes of this section, the term “physical pres-
 18 ence” shall not include—

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

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

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

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

13 (E) ownership by a person outside the
14 State of an interest in a limited liability com-
15 pany or similar entity organized or with a phys-
16 ical presence in the State;

17 (F) the furnishing of information to cus-
18 tomers or affiliates in such State, or the cov-
19 erage of events or other gathering of informa-
20 tion in such State by such person, or his rep-
21 resentative, which information is used or dis-
22 seminated from a point outside the State; or

23 (G) business activities directly relating to
24 such person's potential or actual purchase of

1 goods or services within the State if the final
 2 decision to purchase is made outside the State.

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

9 **SEC. 3. DISPUTE RESOLUTION.**

10 The district courts of the United States shall have
 11 original jurisdiction over civil actions to enforce the provi-
 12 sions of this Act, including authority to issue declaratory
 13 judgments pursuant to section 2201 of title 28, United
 14 States Code, and, notwithstanding the provisions of sec-
 15 tion 1341 of such title, injunctive relief, as necessary to
 16 carry out any provision of this Act.

17 **SEC. 4. DEFINITIONS AND EFFECTIVE DATE.**

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

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

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

4 (B) either directly or indirectly through
 5 agreements or arrangements with third parties,
 6 collects gross receipts from the customer and
 7 transmits those receipts to the marketplace sell-
 8 er, whether or not such person deducts any fees
 9 or other amounts from those receipts prior to
 10 transferring them to the marketplace seller.

11 (2) MARKETPLACE SELLER.—The term “mar-
 12 ketplace seller” means a person that has any sales
 13 facilitated by a marketplace provider.

14 (3) PERSON.—The term “person” has the
 15 meaning given such term by section 1 of title 1,
 16 United States Code. Each corporation that is a
 17 member of a group of affiliated corporations, wheth-
 18 er unitary or not, is itself a separate person.

19 (4) PRODUCT.—The term “product” includes
 20 any good or service, tangible or intangible.

21 (5) REFERRER.—The term “referrer” shall
 22 mean every person who—

23 (A) contracts or otherwise agrees with a
 24 seller to list multiple products for sale and the

1 sales prices thereof in any forum, including a
2 catalog or Internet Web site;

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

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

8 (D) does not collect receipts from the cus-
9 tomer for the transaction.

10 (6) SELLER.—The term “seller” does not in-
11 clude—

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

15 (B) any referrer;

16 (C) any carrier, in which the seller does
17 not have an ownership interest, providing trans-
18 portation or delivery services with respect to
19 tangible personal property; and

20 (D) any credit card issuer, transaction or
21 billing processor, or other financial inter-
22 mediary.

23 (7) SIMILAR TAX.—The term “similar tax”
24 means a tax that is imposed with respect to the sale
25 or use of a product, regardless of whether the tax

1 is imposed on the person making the sale or the pur-
 2 chaser, with the right or obligation of the person
 3 making the sale to obtain reimbursement for the
 4 amount of the tax from the purchaser at the time
 5 of the transaction.

6 (8) STATE.—The term “State” means the sev-
 7 eral States, the District of Columbia, the Common-
 8 wealth of Puerto Rico, Guam, American Samoa, the
 9 United States Virgin Islands, the Commonwealth of
 10 the Northern Mariana Islands, and any other terri-
 11 tory or possession of the United States and includes
 12 any political subdivision thereof.

13 (b) EFFECTIVE DATE.—This Act shall apply with re-
 14 spect to calendar quarters beginning on or after January
 15 1, 2019.

○

115TH CONGRESS
2D SESSION

H. R. 6724

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2018

Mr. GIBBS (for himself and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To limit the authority of a State to require remote sellers to collect taxes and fees owed by purchasers then located in such State incident to their purchases of goods and services from such sellers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Businesses
5 from Burdensome Compliance Cost Act of 2018”.

1 **SEC. 2. LIMITATION ON AUTHORITY OF STATES TO RE-**
2 **QUIRE REMOTE SELLERS TO COLLECT TAXES**
3 **AND FEES OWED BY PURCHASERS OF GOODS**
4 **AND SERVICES.**

5 (a) **LIMITATION.**—Except as provided in subsection
6 (b), a State may not require a remote seller—

7 (1) to collect a tax or fee owed by a purchaser
8 then located in such State incident to the purchase
9 of a good or service from such seller; or

10 (2) to collect information incident to the pur-
11 chase of a such good or service from such seller by
12 such purchaser,

13 if such seller does not have a physical presence in such
14 State at the time of such purchase.

15 (b) **EXCEPTION.**—Subsection (a) shall not apply with
16 respect to the purchase of a good or service if—

17 (1) such purchase occurs after the effective date
18 of this Act;

19 (2) the tax or fee described in such sub-
20 section—

21 (A) is imposed only on a purchaser pursu-
22 ant to a statute then in effect in the State in
23 which the purchaser is located at the time of
24 such purchase; and

25 (B) is also payable incident to purchases
26 throughout such State of such good or service,

1 and payable at a uniform rate that does not ex-
 2 ceed the combined rate of the State and local
 3 taxes and fees payable by purchasers in such
 4 State of such good or service from sellers phys-
 5 ically present in such State at the time of such
 6 purchases; and

7 (3) such statute does not require a remote sell-
 8 er—

9 (A) to remit to more than a single location
 10 in such State, taxes and fees owed by pur-
 11 chasers then located in such State and collected
 12 by such seller; or

13 (B) to provide to such State any informa-
 14 tion about such purchasers; other than—

15 (i) the zip code areas in which such
 16 purchasers were located in such State at
 17 the time of the purchases; and

18 (ii) the aggregate amount of such
 19 taxes or fees collected by such seller owed
 20 by such purchasers in a particular zip code
 21 area.

22 **SEC. 3. PROHIBITION OF AUTHORITY OF SUBDIVISIONS OF**
 23 **STATES.**

24 A subdivision of a State may not require a remote
 25 seller—

- 1 (1) to collect a tax or fee owed by a purchaser
 2 then located in such State (or in such subdivision)
 3 incident to the purchase of a good or service from
 4 such seller; or
 5 (2) to collect information incident to such pur-
 6 chase.

7 **SEC. 4. DEFINITIONS.**

8 For purposes of this Act:

9 (1) REMOTE SELLER.—The term “remote sell-
 10 er” means a person that sells a good or service and
 11 that does not have a physical presence in the State
 12 in which purchaser is located at the time the pur-
 13 chase of such good or service occurs.

14 (2) STATE.—The term “State” means any of
 15 the several States, the District of Columbia, or a
 16 commonwealth, territory, or possession of the United
 17 States.

18 **SEC. 5. EFFECTIVE DATE.**

19 This Act shall take effect on January 1, 2019, and
 20 shall apply with respect to purchases that occur on and
 21 after such date.

○

115TH CONGRESS
2D SESSION

H. R. 6824

To prohibit States from retroactively imposing a sales tax collection duty on a remote seller, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2018

Mr. SENSENBRENNER (for himself, Ms. ESHOO, Mr. DUNCAN of South Carolina, and Ms. LOFGREN) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To prohibit States from retroactively imposing a sales tax collection duty on a remote seller, 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 “Online Sales Simplicity and Small Business Relief Act of 2018”.

SEC. 2. BAN ON RETROACTIVE TAXATION OF INTERNET COMMERCE.

A State may not impose a sales tax collection duty on a remote seller for any sale that occurred prior to June 21, 2018.

1 **SEC. 3. ORDERLY PHASE-IN OF COMPLIANCE OBLIGATIONS.**

2 A State may impose a sales tax collection duty on
3 a remote seller only for a sale that occurs after January
4 1, 2019.

5 **SEC. 4. SMALL BUSINESS REMOTE SELLER EXEMPTION.**

6 In the case of a sale made by a small business remote
7 seller, no State may impose a sales tax collection duty on
8 any person other than the purchaser if the sale is made
9 on or after June 21, 2018, and before the date that is
10 30 days after the date on which the States develop and
11 Congress approves an interstate compact, applicable to the
12 State and sale, governing the imposition of tax collection
13 duties on remote sellers.

14 **SEC. 5. SENSE OF CONGRESS.**

15 It is the sense of Congress that the States should de-
16 velop an interstate compact for the collection of sales tax
17 by remote sellers that identifies a clearly defined minimum
18 substantial nexus between the remote seller and the taxing
19 State, that simplifies registration, collection, remittance,
20 auditing, and other compliance processes to the greatest
21 extent possible in order to avoid undue burdens on inter-
22 state commerce, and that, due to such simplification,
23 eliminates the need for the continuation of the small busi-
24 ness remote seller exemption under section 4.

25 **SEC. 6. DEFINITIONS.**

26 In this Act:

1 (1) REMOTE SELLER.—The term “remote sell-
2 er” means a person without a physical presence in
3 the State who makes a sale in the State.

4 (2) PHYSICAL PRESENCE.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraph (B), the term “physical presence”
7 means, with respect to a person, that a person’s
8 business activities in the State include any of
9 the following during such person’s taxable year:

10 (i) Being an individual physically in
11 the State, or assigning one or more em-
12 ployees to be in the State.

13 (ii) Using the services of an agent (ex-
14 cluding an employee) to establish or main-
15 tain a market in the State, if such agent
16 does not perform business services in the
17 State for any other person during such
18 taxable year.

19 (iii) The leasing or owning of tangible
20 personal property (other than digital or al-
21 phanumeric data) or of real property in the
22 State.

23 (B) EXCEPTION.—A person does not have
24 physical presence in a State if the person’s
25 physical presence in the State under subpara-

graph (A) was for less than 15 days in a taxable year (or a greater number of days if provided by State law), or if the person's physical presence in the State was solely for the purpose of conducting limited or transient business activity.

(3) SALES TAX COLLECTION DUTY.—The term “sales tax collection duty” means—

(A) an obligation imposed on a person, including a person other than the actual seller, to—

(i) pay or collect a sales, use, or similar tax upon the sale of a good or service; or

(ii) report any information with respect to such sale of a good or service; or

(B) the assessment of a sales, use or similar tax on a person.

(4) SMALL BUSINESS REMOTE SELLER.—The term “small business remote seller” means a remote seller with gross annual receipts in the United States during the preceding calendar year in an amount that is not more than \$10,000,000.

○

Model Certified Service Provider Act

DRAFT- 12/17/18

Short Title.

This [chapter, statute, law] shall be known and cited as the “simplified sales and use tax administration act.”

[Findings.]

The legislature finds that certified service providers simplify sales and use tax compliance for both in-state and out-of-state sellers, which fosters higher levels of accurate sales tax collection and remittance, generating new marginal tax revenue and administrative savings to the [tax department/commission]. By making the services of certified service providers available to sellers as provided in this (section/chapter) the state will substantially eliminate the burden on remote sellers as it related to collecting and remitting sales and use taxes.

Definitions.

“Certified service provider” means an agent certified by the state to perform the seller’s sales and use tax functions, as outlined in the contract between the state and the certified service provider.

“Remote seller” means a seller that did not have a legal obligation to collect sales tax in this state prior to [reference effective date of post-*South Dakota v. Wayfair* statute/regulation requiring collection by remote sellers].

“Sales tax” means the tax levied under_____.

“Seller” means the definition under _____[insert or reference sales tax definition of seller].

“Use tax” means the tax levied under_____.

Authority.

The (Commissioner, Director) of Revenue is directed to establish standards for certification of certified service providers including acting jointly with other states to accomplish these ends.

The (Commissioner, Director) is authorized to take other actions reasonably required to implement these provisions, including the adoption of rules and regulations, and the procurement of goods and services, which also may be coordinated jointly with other states, in furtherance of this act.

[Optional] The (Commissioner, Director) is authorized to allow a certified service provider to register with the state for sales tax purposes on behalf of multiple remote retailers.

Model Certified Service Provider Act

DRAFT- 12/17/18

Provision of Databases.

The (Tax Commission, Revenue Department) shall: (applicable for states with local jurisdictions)

1. Provide and maintain an electronic, downloadable database of defined product categories that identifies the taxability of each category.
2. Provide and maintain an electronic, downloadable database of all sales and use tax rates for the jurisdictions in this state that levy a sales or use tax.
3. Provide and maintain an electronic, downloadable database that assigns delivery addresses in this state to the applicable taxing jurisdictions.

Certification.

The (Tax Commission, Revenue Department) shall:

1. Provide uniform minimum standards that companies wishing to be designated as a certified service provider in this state must meet. The minimum standards may include an expedited certification process for companies that have been certified in at least 5 other states.
2. Establish a certification process to review the systems of companies wishing to be designated as a certified service provider in this state. The process shall provide that companies meeting all required standards and whose systems have been tested and approved for properly determining the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted, shall be certified.
3. Enter into a contractual relationship with each company that qualifies as a certified service provider. Such contracts, at a minimum, shall provide:
 - a. The responsibilities of the certified service provider and the sellers that contract with the certified service provider related to liability for proper collection and remittance of sales and use taxes.
 - b. The responsibilities of the certified service provider and the sellers that contract with the certified service provider related to record keeping and auditing.
 - c. The method and amount of compensation to be provided to the certified service provider by this state for the services the certified service provider provides to remote sellers.
 - d. For the protection and confidentiality of tax information.
4. The provisions of this paragraph shall supersede this state's Purchasing Act.

Relief from Liability.

Sellers and certified service providers are relieved from liability to the state for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified

Model Certified Service Provider Act

DRAFT- 12/17/18

service provider relying on 1) erroneous data provided by the state in database files on tax rates, boundaries, or taxing jurisdictions, or 2) erroneous data provided by the state concerning the taxability of products and services.

Sellers and certified service providers are relieved from liability to the state for having charged and collected an incorrect amount of sales and use tax resulting from the seller or certified service provider relying on certification by the (Commission, Department) of the accuracy of the certified service provider's tax rules and automated systems.

Effective Date.

The effective date of this act shall be _____.

Marketplace Facilitator Sales Tax Collection Model Legislation

Draft Date: September 22, 2019

Section 1. Nexus Standard for Sales and Use Tax Collection

Notwithstanding any other provision of law, any _____ [vendor, seller, marketplace facilitator, or appropriate state-law term] selling or facilitating the sale of tangible personal property _____ [and/or other property or services subject to sales tax in the State] for delivery into [State] is [“doing business in this state”], is subject to _____ [pertinent sales tax code sections], shall [collect and remit/pay] applicable sales or use tax¹, and shall follow all applicable procedures and requirements of law, provided the [seller, vendor, marketplace facilitator] meets the following criteria in the previous calendar year:

- A. If a [seller], the [seller] makes sales of tangible personal property [and/or other property or services subject to sales or use tax in the State] for delivery into this state exceeding [100,000] dollars.
- B. If a [marketplace facilitator], the [marketplace facilitator] makes or facilitates the sale of tangible personal property [and/or other property or services subject to sales tax in the State], on its own behalf or on behalf of one or more marketplace sellers, for delivery into this State exceeding [100,000] dollars.
- C. [The Department] may grant a waiver from the requirements of this section if a marketplace facilitator demonstrates, to the satisfaction of [the Department] that substantially all of its marketplace sellers already are [registered sellers] under [cite code section]. If such waiver is granted, the tax levied under [cite code section] shall be collectible from the marketplace seller. [The Department] shall develop guidelines that establish the criteria for obtaining a waiver pursuant to this section, the process and procedure for a marketplace facilitator to apply for a waiver, and the process for providing notice to an affected marketplace facilitator and marketplace seller of a waiver obtained pursuant to this subsection.
- D. Nothing herein shall prohibit the marketplace facilitator and the marketplace seller from contractually agreeing to have the marketplace seller collect and remit all applicable taxes and fees where the marketplace seller:
 1. Has annual U.S. gross sales over ~~\$1 billion~~[X], including the gross sales of any related entities;^[A1]

¹ ~~In their comments, the communications companies recommended requiring marketplaces to collect other transactions taxes and fees in addition to sales and use tax. To date, no state has implemented marketplace collection of other taxes and fees, although Washington State has adopted a statute which would require such collection in 2021. This issue is worthy of additional discussion to determine whether, when, to what extent, and how such other taxes and fees should be incorporated into marketplace collection. To the extent a state imposes other taxes and fees on the consumer for sales of products and services included in their marketplace facilitator legislation the state needs to determine whether, when, to what extent, and how such other taxes and fees should be incorporated into marketplace collection requirements.~~

Marketplace Facilitator Sales Tax Collection Model Legislation

Draft Date: September 22, 2019

2. Provides evidence to the marketplace facilitator that it is registered under [cite code section] in this state and also registered to collect sales and use tax in every state where the seller makes sales product or service can be sold [A2]; and,
3. Notifies [the Department] in a manner prescribed by [the Department] that the marketplace seller will collect and remit all applicable taxes and fees on its sales through the marketplace and is liable for failure to collect or remit applicable taxes and fees on its sales.

Section 2. Imposition of Sales and Use Tax Collection on Marketplace Facilitators

- A. "Marketplace facilitator" means a person, including any affiliate of the person, that:
1. Contracts or otherwise agrees with marketplace sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the marketplace seller's products through a physical or electronic marketplace operated, owned, or otherwise controlled by the person; and,
 2. Either directly or indirectly through contracts, agreements, or other arrangements with third parties, collects the payment from the purchaser and transmits all or part of the payment to the marketplace seller.
 3. A "marketplace facilitator" does not include: a) a platform or forum that exclusively provides advertising services, including listing products for sale, so long as the advertising service platform or forum does not also engage directly or indirectly through one or more affiliated persons in the activities described in A.1. and A.2. of this section; (b) a person whose principal activity with respect to marketplace sales is to provide payment processing services between two parties; or (c) a derivatives clearing organization, a designated contract market, foreign board of trade or swap execution facility, registered with the Commodity Futures Trading Commission ("CFTC registered platforms"), and any clearing members, futures commission merchants or brokers when using the services of CFTC registered platforms.
 4. [OPTIONAL—If sales tax in state applies to hotel/lodging, consider adding following language to exclude from definition of "marketplace facilitator": "A person is not a marketplace facilitator with respect to the sale or charges for rooms, lodgings or accommodations described in (cite code section) if the rooms, lodgings or accommodations are provided by a hotel, motel, inn, or other place that is a [registered seller] under (cite code section) and the

Marketplace Facilitator Sales Tax Collection Model Legislation

Draft Date: September 22, 2019

[registered seller] provides the rooms, lodgings or accommodations for occupancy under a brand belonging to such person.]²

- B. "Marketplace seller" means a seller that makes sales through any physical or electronic marketplace operated, owned, or controlled by a marketplace facilitator.
- C. Except as provided in Section 1.C. and 1.D., a marketplace facilitator [doing business in the state under Section 1] is required to [collect and remit/pay] the [sales or use tax] on all taxable sales made by the marketplace facilitator or facilitated for marketplace sellers to customers in this state regardless of whether the marketplace seller for whom sales are facilitated has a sales tax permit or would have been required to collect sales or use tax had the sale not been facilitated by the marketplace facilitator. For the purposes of [cite this law or appropriate sales and use tax code], a marketplace facilitator has the same rights and duties as a seller. Nothing in this Section shall be construed to interfere with the ability of a marketplace facilitator and a marketplace seller to enter into agreements with each other regarding fulfillment of the requirements of this [Chapter].
- D. A marketplace facilitator shall either:
 - 1. Report the sales and use tax described in [this section] separately from any sales or use tax collected on taxable [retail sales] made directly by the marketplace facilitator, or affiliates of the marketplace facilitator, to customers in this state using a separate marketplace facilitator [return/report/form] to be published by the [department]; or,
 - 2. Report the sales and use tax described in [this section] combined with any sales or use tax collected on taxable [retail sales] made directly by the marketplace facilitator, or affiliates of the marketplace facilitator.
- E. No class action may be brought against a marketplace facilitator in any court of this state on behalf of customers arising from or in any way related to an overpayment of sales or use tax collected on sales facilitated by the marketplace facilitator, regardless of whether that claim is characterized as a tax refund claim. Nothing in this subsection affects a customer's right to seek a refund as provided under section [cite code section].
- F. Nothing in this section affects the obligation of any consumer to remit sales or use tax for any taxable transaction for which a marketplace facilitator or seller does not collect and remit sales or use tax.
- G. The [department] shall solely audit the marketplace facilitator for sales made by marketplace sellers but facilitated by the marketplace facilitator, except with respect to

² According to the National Conference of State Legislatures, the following state impose statewide sales taxes on lodging: AR, CO, FL, GA, HI, ID, IN, KS, KY, LA, MD, MI, MN, MS, MO, MT, NE, NJ, NM, NY, NC, ND, OH, OK, RI, SC, SD, TN, UT, VA, WA, WV, WI, and WY.

Marketplace Facilitator Sales Tax Collection Model Legislation

Draft Date: September 22, 2019

transactions that are subject to Section 1.C or 1.D. The [department] will not audit or otherwise assess tax against marketplace sellers for sales facilitated by a marketplace facilitator except to the extent the marketplace facilitator seeks relief under section (H) or with respect to transactions that are subject to Section 1.C or 1.D.

- H. A marketplace facilitator shall be relieved of liability under this [section] for failure to collect and remit the correct amount of tax to the extent that the error was due to incorrect or insufficient information [on the nature of the product or service](#) given to the marketplace facilitator by the marketplace seller, provided that the marketplace facilitator can demonstrate it made a reasonable effort to obtain correct and sufficient information from the marketplace seller. Provided, however, this [subsection] shall not apply if the marketplace facilitator and the marketplace seller are related as defined in [cite code section].
- I. The [department] may waive penalties and interest if a marketplace facilitator seeks liability relief and the department rules that a reasonable cause exists.
- J. A marketplace facilitator shall be relieved of liability under this [section] if it can prove, to the satisfaction of the [department], that the tax levied under this [chapter/title/article] on a sale facilitated by the marketplace facilitator was paid to the [department] by the marketplace seller.

Section 3. No Retroactive Application

No obligation to collect the sales and use tax required by this Act may be applied retroactively.

Section 4. 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.

Nonmember State Participation in Streamlined

The Streamlined Sales Tax Governing Board (Governing Board) and the Streamlined Sales Tax Business Advisory Council (BAC) encourage states that are not members of the Streamlined Sales Tax Governing Board to simplify and modernize their sales and use tax systems to remove “undue burdens” on remote sellers, in view of the United States Supreme Court’s decisions in *Quill v. North Dakota* (1992) and *South Dakota v. Wayfair* (2018).

While the *Wayfair* decision reversed the “physical presence” requirement contained in the *Quill* decision, it did not address whether or not South Dakota’s laws imposed an “undue burden on interstate commerce” as discussed in the *Quill* decision. The opinion issued in *Wayfair* did, however, identify three features in South Dakota’s law that it indicated “...appear designed to prevent discrimination against or undue burdens upon interstate commerce...” The features identified by the Supreme Court are:

- Small business protection or threshold;
- Not applying the law retroactively; and
- South Dakota’s membership in Streamlined which “...standardizes taxes to reduce administrative and compliance costs...”

While most nonmember states have taken specific action to address the first two features the Supreme Court identified (small seller threshold and no retroactive application), they have not done anything to standardize taxes to reduce administrative and compliance costs to help remove the undue burdens.

In an effort to assist nonmember states in addressing the third feature identified by the Supreme Court in *Wayfair* (removing the undue burdens on remote sellers) and increasing uniformity amongst the states, the Governing Board invites nonmember states to participate with the Governing Board member states in several of the areas the Governing Board has developed that substantially remove the undue burdens on remote sellers. This includes participation in:

- The Streamlined Sales Tax Registration System;
- The certification and ongoing testing process related to the certified service provider systems through Streamlined’s Testing Central;
- The rate and jurisdiction database posting, updating and distribution process through Streamlined’s Testing Central;
- The taxability matrix posting, updating and distribution process through Streamlined’s Testing Central;
- The contracts the Governing Board has with the Streamlined certified service providers (CSPs);
- The contract compliance audits the Governing Board’s Audit Core Team conducts on the certified service providers;
- The ongoing recertification of the current CSPs;
- The certification process for new CSPs;
- The Streamlined Sales Tax State and Local Advisory Council, Audit Committee and Certification Committee; and
- Provide input into and vote on the Governing Board’s budget.

Nonmember State Participation in Streamlined

Nonmember states interested in participating in these areas will need to enact the necessary legislation authorizing such participation. See the model “Utilizing Streamlined Sales and Use Tax Services Act.”

Once the state has enacted the legislation and completed the above requirements, the state will petition for participation by notifying the Executive Director and making the initial membership deposit required of Associate members as provided in the Streamlined Sales Tax Governing Board’s Rules and Procedures. The Executive Director will place the discussion of the state’s participation as outlined above on the next Governing Board agenda for its approval. Once approved, the state’s participation will be effective on the first day of the month mutually agreed upon between the state and the Governing Board.

For further information or to discuss your state’s participation, please contact Craig Johnson, Executive Director, Streamlined Sales Tax Governing Board by email at craig.johnson@sstgb.org or by phone at (608) 634-6160.

DRAFT

Model Act Authorizing Non-Member States to Participate in the Streamlined Sales Tax Governing Board's Central Registration System and Contracts With Certified Service Providers

Short Title.

This [chapter, statute, law] shall be known and cited as the "Utilizing Streamlined Sales and Use Tax Services Act."

[Findings – If Needed by the State.]

The legislature finds that the Streamlined Sales and Use Tax Agreement provides certified service provider and central registration services which will assist sales and use tax compliance for both in-state and out-of-state sellers and will foster higher levels of accurate sales tax collection and remittance, facilitate in collecting sales and use tax revenues, and administrative savings to the [Department]. By making these services available to sellers, the State will substantially reduce the burden imposed on sellers to collect and remit sales and use taxes to this State and other states.

Definitions.

"Central Registration System" means the central registration provided by the Governing Board pursuant to Article IV of the Streamlined Sales and Use Tax Agreement.

"Certified service provider" means an agent certified by the Governing Board to perform the seller's sales and use tax functions as provided for under the Governing Board's contract with such providers.

"Governing Board" means the Streamlined Sales and Use Tax Agreement's Governing Board, including its various committees that address certified service provider and central registration services and issues.

Authorization.

The [Department] is authorized to consult and contract with the Governing Board, and other states as necessary, to allow sellers to use the Board's certified service provider and central registration services, and as necessary, work jointly with other states to accomplish these ends.

The [Department] is authorized to take actions reasonably required to implement these provisions, including the adoption of rules and regulations, and the procurement of goods and services, which may be coordinated jointly with the Governing Board and other states. This includes the following:

**Model Act Authorizing Non-Member States to Participate in the
Streamlined Sales Tax Governing Board's Central Registration System
and Contracts With Certified Service Providers**

- 1) Provide and maintain an electronic, downloadable database of all sales and use tax rates for the jurisdictions in this state that levy a sales or use tax.
- 2) Provide and maintain an electronic, downloadable database that assigns the addresses and zip codes in the state to the applicable taxing jurisdictions.
- 3) Complete the Streamlined Sales and Use Tax Agreement's Taxability Matrix and Certificate of Compliance, noting how the State's sales and use tax law follows or deviates from those requirements.

The [Department] shall also work with the Governing Board to:

- 1) Establish and provide a certification process to allow certified service providers to receive compensation, similar to that for the Governing Board's full member states. Non-SSUTA states may have a different compensation structure solely to account for additional complexities in collecting and remitting this State's sales and use tax due to not being a Governing Board full member state.
- 2) Enter into a contractual relationship with the Governing Board and/or the Governing Board's certified service providers. At a minimum, the contractual relationship shall address:
 - A. The responsibilities of the Governing Board, certified service providers, and the sellers that contract with the certified service provider related to liability for proper collection and remittance of sales and use taxes.
 - B. The responsibilities of the Governing Board, certified service providers, and the sellers that contract with the certified service provider related to record keeping, auditing, and the protection and confidentiality of taxpayer information.
 - C. The method and amount of compensation to be provided to the certified service provider by this State for the services the certified service provider provides to certain sellers.
- 3) The [Department] is authorized to pay annual dues to the Governing Board, not to exceed the dues calculation that would be owed if the State was a Governing Board full member state.

**Model Act Authorizing Non-Member States to Participate in the
Streamlined Sales Tax Governing Board's Central Registration System
and Contracts With Certified Service Providers**

- 4) [State adds any necessary language to comply with the State's purchasing and contract laws here.]
- 5) The [Department] shall also comply with the Governing Board's requirements to use the Board's central registration system and is authorized to enter into a contract consistent with the requirements imposed on the Governing Board's full member states.

Relief from Liability.

- 1) Sellers and certified service providers are relieved from liability to the state for having charged and collected the incorrect amount of sales or use tax resulting from the seller or a certified service provider relying on 1) erroneous data provided by the state in its rate and boundary databases, or 2) erroneous data provided by the state concerning the taxability of products and services as provided in the Taxability Matrix.
- 2) Sellers and certified service providers are relieved from liability to the state for having charged and collected an incorrect amount of sales and use tax resulting from the seller or certified service provider relying on certification by the [Department] of the accuracy of the certified service provider's tax rules and automated systems.

Effective Date.

This act shall be effective on X date.

MTC Uniformity Committee *Wayfair* Implementation and Marketplace Facilitator Work Group Activities



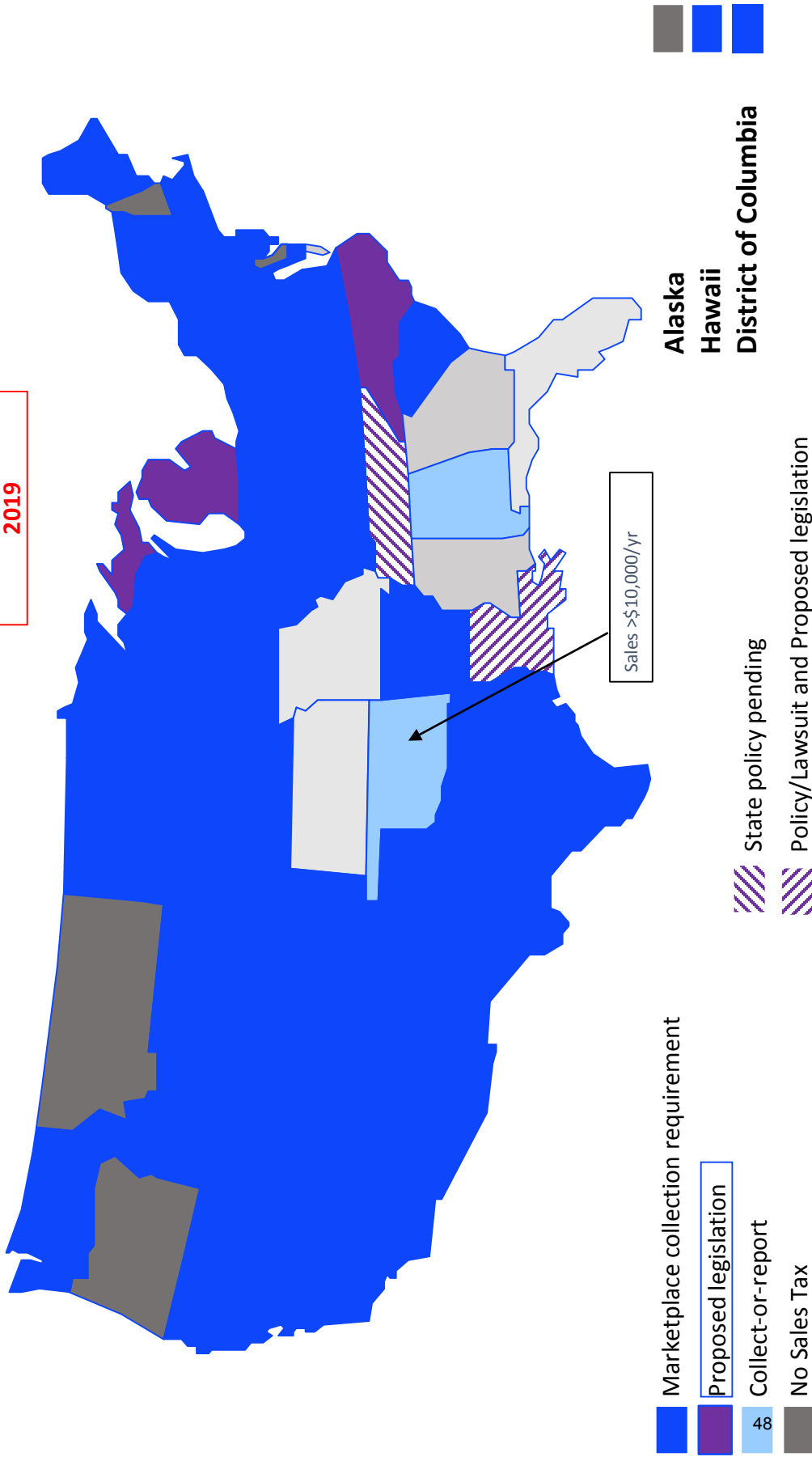
MULTISTATE TAX COMMISSION

Richard Cram
National Nexus Program Director

Streamlined Sales Tax Governing Board, Inc.
Meeting
Charleston, West Virginia
October 2, 2019

Marketplace Collection Requirements... So far

As of September 23,
2019



Marketplace facilitator as collector/reporter laws

Enacted in 2018 pre-*Wayfair*:

- **Alabama** (HB 470 collect if sales/yr >\$250,000 or report eff. 1/1/19)
- **Oklahoma** (HB 1019XX collect if sales/yr >\$10,000 or report eff. 7/1/18)

Enacted in 2017 (subsequent legislation enacted in 2019 requiring collection, eliminating option to report):

**Minnesota, Pennsylvania, Rhode Island,
Washington**

Marketplace facilitator as collector laws

Enacted in 2018:

New Jersey (A. 4496) eff. 11/1/18; **Connecticut** (SB 417) eff. 12/1/18

Iowa (SF 2417) eff. 1/1/19; **South Dakota** (SB 2) eff. 3/1/19

DC (B22-1070) eff. 4/1/19

Enacted in 2019:

Nebraska (LB 284) eff. 4/1/19

South Carolina (SB 214) eff. 4/26/19

Idaho (HB 259) **New York** (S. 1509, part G) **Vermont** (HB 536) eff. 6/1/19

Arkansas (SB 576, including OTC collection) **Indiana** (HB 1001) **Kentucky** (HB 354) **New Mexico** (HB 6) **Pennsylvania** (HB 262) **Rhode Island** (H. 5278 Sub A, S. 251 Sub A) **Virginia** (HB 1722, SB 1083) **West Virginia** (HB 2813) **Wyoming** (HB 69) eff. 7/1/19

Ohio (HB 166) eff. 8/1/19

Arizona (HB 2757) **California** (AB 147) **Colorado** (HB 19-1240) **Maine** (LD 1452/ HP 1064) **Maryland** (HB 1301) **Massachusetts** (H 4000) **Minnesota** (HF 5) **Nevada** (AB 445) **North Dakota** (SB 2338) **Texas** (HB 1525) **Utah** (SB 168) **Washington** (HB 5581) **Wisconsin** (AB 251) eff. 10/1/19

Hawaii (SB 396/SD 1) **Illinois** (SB 689) eff. 1/1/20

MTC Wayfair Implementation and Marketplace Facilitator Work Group Objective

Seek feedback from state tax agencies and the business community to prepare a “white paper” for presentation to the MTC Uniformity Committee at its upcoming meeting in San Antonio, TX on November 6, 2019. The “white paper” will identify issues arising from states’ adoption of sales/use tax economic nexus laws and marketplace facilitator collection requirements following *Wayfair* and make possible recommendations. It should be available to state tax agencies and legislatures by commencement of 2020 state legislative sessions.

Coordinate with the NCSL SALT Task Force.

MTC Wayfair Implementation and Marketplace Facilitator Work Group issues

- Marketplace facilitator definition: narrow vs. broad and need for exclusions?
- Is marketplace facilitator the seller?
- Extent of marketplace facilitator/seller audit exposure, recordkeeping, liability protection?
- Information requirements between marketplace facilitator and marketplace seller?
- Should marketplace collection requirement be subject to waiver or negotiation, apply to services or other taxes?
- Economic nexus threshold calculation for remote sellers and marketplace sellers?

MTC Wayfair Implementation and Marketplace Facilitator Work Group issues (continued)

- Certification requirement?
- Information sharing among states?
- Should states provide information to make taxability determinations easier for remote sellers?
- Can returns for marketplace sellers and facilitators be simplified?
- Compliance enforcement for foreign sellers?
- Local sales/use tax simplification?

Streamlined Sales Tax Governing Board
October 2019
FYE June 30, 2020 Budget (Amendment Proposed)

	Approved FYE20	Amended FYE 20 Proposed	Proposed Change
BEGINNING BALANCE	\$ 905,774	\$ 1,140,362	\$ 234,588
INCOME			
Member payments	\$ 983,650	\$ 983,650	\$ -
Member payments held in escrow	\$ -	\$ -	\$ -
Investment income	\$ 10,000	\$ 15,000	\$ 5,000
Other income			\$ -
Meeting Income	\$ 50,000	\$ 50,000	\$ -
TOTAL INCOME	\$ 1,043,650	\$ 1,048,650	
EXPENSES			
Salaries and Benefits			
Salaries	\$ 380,000	\$ 385,000	\$ 5,000
Payroll taxes	\$ 31,000	\$ 31,000	\$ -
Retirement expense	\$ 10,275	\$ 10,275	\$ -
Subtotal- Salaries	\$ 421,275	\$ 426,275	
Office Expense			
Telecommunications	\$ 17,500	\$ 16,000	\$ (1,500)
Printing	\$ 2,000	\$ 2,000	\$ -
Materials and supplies	\$ 6,000	\$ 5,000	\$ (1,000)
Postage and delivery	\$ 1,500	\$ 1,500	\$ -
Law service and books	\$ 2,500	\$ 3,500	\$ 1,000
Depreciation	\$ 5,000	\$ 5,000	\$ -
Computer equipment and furniture	\$ 6,000	\$ 6,000	\$ -
Other insurance	\$ 2,500	\$ 2,500	\$ -
Credit Card Fees	\$ -	\$ -	\$ -
Other	\$ 1,500	\$ 4,000	\$ 2,500
Subtotal-Office Expense	\$ 44,500	\$ 45,500	
Travel			
Employee travel	\$ 65,000	\$ 65,000	\$ -
Other travel	\$ 35,000	\$ 35,000	\$ -
Chairperson Travel (SLAC, Audit, Cert & CRIC)	\$ 20,000	\$ 20,000	\$ -
Legislative travel	\$ 25,000	\$ 25,000	\$ -
State Delegate/Designee Travel	\$ 48,000	\$ 48,000	\$ -
State Auditor Training Travel Reimb	\$ -	\$ 24,000	\$ 24,000
Audit Core Team Travel	\$ 20,000	\$ 20,000	\$ -
Subtotal- Travel	\$ 213,000	\$ 237,000	
Contractual Services			
Rent - office space and utilities	\$ 12,000	\$ 12,000	\$ -
Central registration			
Annual Hosting	\$ 28,000	\$ 28,000	\$ -
Annual Maintenance, Support and Licenses	\$ 60,000	\$ 60,000	\$ -
Development of New System (System Updates)	\$ 10,000	\$ 15,000	\$ 5,000
Website Redesign	\$ -	\$ -	\$ -
Accounting services	\$ 10,000	\$ 10,000	\$ -
Legal services	\$ 25,000	\$ 25,000	\$ -
Fund audit	\$ 13,000	\$ 13,000	\$ -
Web site development and hosting	\$ 10,000	\$ 11,000	\$ 1,000
Federal affairs	\$ 186,000	\$ 120,000	\$ (66,000)
Other	\$ 25,000	\$ 25,000	\$ -
Subtotal - Cont. Svcs.	\$ 379,000	\$ 319,000	
Meeting Expenses			
Semi Annual Meetings	\$ 55,000	\$ 55,000	\$ -
Committee Meetings	\$ 7,000	\$ 7,000	\$ -
Reserve	\$ 25,000	\$ 25,000	\$ -
Online Taxability Matrix	\$ 2,000	\$ 2,000	\$ -
Online Certificate of Compliance	\$ 2,000	\$ 2,000	\$ -
TOTAL EXPENSES	\$ 1,148,775	\$ 1,118,775	
Surplus/Deficit for Budget Period	\$ (105,125)	\$ (70,125)	\$ 35,000
ENDING BALANCE	\$ 800,649	\$ 1,070,237	\$ 269,588

This report reflects the income and expenses of the Streamlined Sales Tax Governing Board, Inc. (SSTGB) for the twelve months of Fiscal Year Ending June 30, 2019 (FYE 2019).

The Income Statement includes a comparison of the Budgeted Income and Expense amounts for FYE 2019 to the year-to-date actual expenses, along with a year-to-date percentage of the budgeted amounts utilized. It also includes a breakdown of the expenses on a quarterly basis. Total expenses are generally lower than the budgeted amounts in all major categories for the fiscal year, except meeting expenses. Both meeting revenues and meeting expenses exceeded budgeted amounts.

The Balance Sheet for the fiscal year includes the year-end account balances, along with an indication of how the account balances changed each quarter since the beginning of the year. On June 30, 2019, assets of the SSTGB totaled \$1,378,970, of which 99% was held in the form of cash or cash equivalents. The remainder was comprised of furniture and equipment, a rent deposit and some prepaid expenses.

The documents continue to show the stable financial condition of the SSTGB.

Major budgetary items reflected in the fourth quarter of FYE 2019 income statement include:

- Salary, benefits and payroll taxes for four full-time employees totaled \$118,355 during the quarter.
- Travel expenses totaled \$40,611. 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, travel expenses for Committee chairpersons to lead certain Streamlined Committee meetings and travel by some Audit Core Team members.
- Office expenses totaled \$7,413, the majority of which was telecommunication expenses (\$4,064).
- 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 \$97,274. The majority of this expense (\$40,500) was related to the contracts the SSTGB had with two government affairs companies. One of those contracts was terminated in the 4th quarter of FYE 6/30/2019.

Streamlined Sales Tax Governing Board, Inc.
Statement of Activities
For the twelve months ended June 30, 2019

	FY2019 Budget	1st qtr FY 6/30/2019	2nd qtr FY 6/30/2019	3rd Quarter FY 6/30/19	4th Quarter FYE 6/30/19	Year to date FY 6/30/2019	Percentage Of Budget
BEGINNING BALANCE	\$1,022,399	\$1,022,399	\$1,022,399	\$1,022,399	\$1,022,399	\$1,022,399	
INCOME							
Member Payments	983,650	945,296	38,354	0	0	983,650	100%
Member payments held in escrow							
Investment Income	10,000	1,176	7,532	3,203	14,730	26,640	266%
Other income				1,002	(1,002)	0	
Meeting Income	50,000	0	0	35,275	33,315	68,590	137%
TOTAL INCOME	1,043,650	946,472	45,885	39,480	47,043	1,078,880	103%
EXPENSES							
Salaries and Benefits							
Salaries	375,000	83,096	93,184	94,722	108,916	379,918	101%
Payroll Taxes	31,000	6,163	6,363	8,619	7,366	28,511	92%
Retirement Expense	10,275	1,038	2,075	1,607	2,073	6,792	66%
Subtotal - Salaries	416,275	90,297	101,623	104,947	118,355	415,222	100%
Office Expense							
Telecommunications	17,500	2,583	4,144	2,671	4,064	13,461	77%
Printing	2,000	0	0	0	0	0	0%
Materials and Supplies	6,000	671	260	318	910	2,159	36%
Postage and Delivery	1,500	0	107	25	0	132	9%
Law Service and Books	2,500	0	0	0	1,490	1,490	60%
Computer Equipment and Furniture-Depreciation	5,000	487	487	972	972	2,918	58%
Computer Equipment and Furniture	6,000	0	0	0	0	0	0%
Other Insurance	2,500	0	1,596	181	0	1,777	71%
Other	1,500	513	440	1,119	(23)	2,049	137%
Subtotal -Office Expense	44,500	4,254	7,033	5,286	7,413	23,986	54%
Travel							
Employee Travel	65,000	16,632	16,463	6,563	19,463	59,120	91%
Other Travel	40,000	3,369	4,384	8,772	4,676	21,201	53%

Chairperson Travel (SLAC-Audit-Cert-CRIC)	20,000	4,333	3,750	6,121	2,957	17,161	86%
State Delegate/Designee Travel	48,000	1,009	7,546	1,376	11,624	21,554	45%
Audit Core Team Travel	7,500	0	1,626	0	985	2,611	35%
State Auditor Training Travel	0	0	0	0	0	0	
Legislative travel	25,000	0	658	829	906	2,393	10%
Subtotal -Travel	205,500	25,342	34,426	23,662	40,611	124,040	60%
Contractual Services							
Rent - Office space	12,000	3,245	1,695	3,292	1,743	9,975	83%
Central Registration							
Annual Hosting	28,000	5,505	4,198	5,810	11,413	26,926	96%
Annual Maintenance, Support and Licenses	60,000	12,115	8,100	12,145	24,265	56,624	94%
Development of New System	20,000	0	0	7,600	11,096	18,696	93%
Accounting Services	10,000	1,700	450	2,500	1,600	6,250	63%
Legal Services	25,000	0	0	0	0	0	0%
Fund Audit	13,000	474	5,000	7,000	0	12,474	96%
Web Site Development & Hosting	9,000	370	455	1,729	3,823	6,377	71%
Federal Affairs	186,000	41,500	56,500	36,500	40,500	175,000	94%
Website Redesign	15,000	0	8,200	4,900	0	13,100	87%
Other	25,000	831	735	1,300	2,833	5,699	23%
Subtotal - Contractual Services	403,000	65,738	85,333	82,776	97,274	331,122	82%
Meeting Expenses							
Write off Receivables	0	0	0	0	0	0	
Semi Annual Meetings	55,000	3,719	17,557	1,880	37,169	60,326	110%
Committee Meetings	7,000	56	3,139	2,501	344	6,041	86%
Subtotal - Meeting Expenses	62,000	3,776	20,697	4,381	37,514	66,367	107%
Reserve	25,000	0	0	0	0	0	0%
Online Taxability Matrix	2,000	0	43	0	(43)	0	0%
Online Certificate of Compliance	2,000	0	180	0	0	180	9%
TOTAL EXPENSES	1,160,275	189,407	249,335	221,052	301,123	960,917	83%
Surplus(Deficit) for Budget Period	(116,625.00)	757,065	(203,449)	(181,572)	(254,081)	117,963	
ENDING BALANCE	\$905,774	1,779,464	1,576,015	1,394,443	1,140,362	1,140,362	

Streamlined Sales Tax Governing Board, Inc.
Balance Sheet
For the twelve months ended June 30, 2019

	Beginning Balances 7/1/2018	Ending Balances 9/30/18	Ending Balances 12/31/2018	Ending Balances 3/31/2019	Ending Balances 6/30/2019	Change From Last Quarter
Assets						
Current Assets						
Cash and cash equivalents	\$1,276,581	\$1,837,002	\$1,637,541	\$1,429,575	\$1,360,207	(69,368)
Meeting receivables	5,250	0	0	0	3,275	3,275
Insurance receivable	0	0	0	0	0	0
Prepaid Expenses	0	0	0	0	9,136	9,136
Total current assets	1,281,831	1,837,002	1,637,541	1,429,575	1,372,618	(56,957)
Noncurrent assets						
Furniture and equipment, net	2,039	3,809	3,322	4,342	5,637	1,295
Rent Deposit	715	715	715	715	715	0
Total noncurrent assets	2,754	4,524	4,037	5,057	6,352	1,295
Total assets	\$1,284,585	\$1,841,525	\$1,641,578	\$1,434,632	\$1,378,970	(55,662)
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	18,815	1,815	232	1,132	18,029	16,897
Vacation Payable	31,941	31,941	26,557	26,557	34,912	8,355
Deferred revenue-Membership	211,430	0	0	0	185,668	185,668
Deferred revenue-Meetings	0	28,305	38,775	12,500	0	(12,500)
Total current liabilities	262,186	62,061	65,563	40,189	238,608	(25,374)
Long term Liabilities						
Deferred revenue-Membership	0	0	0	0	0	0
Total liabilities	\$262,186	\$62,061	\$65,563	\$40,189	\$238,608	(25,374)
Commitments and Contingencies						
Net Assets						
Unrestricted	1,022,399	1,779,464	1,576,015	1,394,443	1,140,362	(254,081)
Total Liabilities and Net Assets	\$1,284,585	\$1,841,525	\$1,641,578	\$1,434,632	\$1,378,970	(55,662)

Streamlined Sales Tax Governing Board, Inc.
Cash Flow
For the twelve months ended June 30, 2019

Cash flows from operating activities	
Change in net assets	117,963
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,918
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	1,975
Prepaid expenses	(9,136)
Increase (decrease) in liabilities	
Accounts payable	(786)
Accrued liabilities	2,969
Deferred revenue	(25,762)
Streamlined Conferences Cash	
New cash flows provided by operating activities	90,141
Cash flows from investing activities	
Purchases of furniture and equipment	(6,516)
Net cash used in investing activities	
Net increase (decrease) in cash and cash equivalents	83,625
Cash and cash equivalents, beginning of year	1,276,581
Cash and cash equivalents, end of 4th quarter	1,360,206

Streamlined Sales Tax Governing Board

Annual Financial Report for FYE 6/30/2019

(unaudited)

**Submitted to the Governing Board
October 2, 2019**

The Governing Board ended FYE 6/30/2019 with a balance of \$1,140,362 resulting from an operating surplus of \$117,963 for the fiscal year. When the revised budget was adopted in the fall of 2018 the projected balance was expected to be \$905,774 with an operating deficit of \$116,625.

FYE 6/30/2019 ended with an operating surplus for various reasons including higher interest income than expected, lower office expenses, significantly lower travel expenses overall than anticipated, not having to use the reserve built into the budget and generally keeping a close eye on expenses and taking advantage of savings where possible.

Receipts totaled \$1,078,880. Receipts came from the membership dues paid by full and associate member states (\$983,650) and gross revenue generated from meetings (\$68,590). Although Meeting Revenues were higher than expected, Meeting Expenses were also higher than anticipated. The overall goal is to break-even on the meetings.

Expenses totaled \$960,917. Overall, the major categories of Salaries and Benefits, Office Expenses, Travel Expenses and Contractual Expenses came in at or under budget. Actual expenses were about \$200,000 below budgeted amounts.

Major budgetary developments in FYE June 30, 2019 included:

- Completion of the new website;
- Terminating the contract with one of the two governmental affairs firms in May 2019;
- Continued operation of and various upgrades to the central registration system;
- Addition of a FTE to replace a position that was previously 50% FTE
- Reimbursing state delegates for travel expenses to enable them to attend the Governing Board meetings.

At the end of FYE June 30, 2019, assets of the Governing Board totaled \$1,378,970, of which 99% was held in the form of cash or cash equivalents. The remainder was comprised of prepaid expenses, accounts receivable, furniture and equipment, and a rent deposit. Unrestricted Net Assets at the end of FYE June 30, 2019 were approximately \$120,000 more than Unrestricted Net Assets at the end of FYE June 30, 2018.

The financial assets of the Governing Board are held in a checking account, money market account and certificate of deposits with Westby Co-op Credit Union. Interest rates earned on these accounts were much higher than in previous years with Wells Fargo.

The following financial statements are included: (1) the income statement showing the Budgeted and Actual Receipts and Expenditures for FYE June 30, 2019; (2) the balance sheet as of June 30, 2019; (3) a cash flow statement for FYE June 30, 2019; and (4) a historical presentation of the Income and Expense Statements from FY 2007 through FY 2019.

These documents reflect a stable financial condition after nearly thirteen years of operation under the Governing Board.

Streamlined Sales Tax Governing Board, Inc.
Statement of Activities
For the twelve months ended June 30, 2019

	FY2019 Budget	Year to date FY 6/30/2019	Percentage Of Budget
BEGINNING BALANCE	\$1,022,399	\$1,022,399	
INCOME			
Member Payments	983,650	983,650	100%
Member payments held in escrow			
Investment Income	10,000	26,640	266%
Other income		0	
Meeting Income	50,000	68,590	137%
TOTAL INCOME	1,043,650	1,078,880	103%
EXPENSES			
Salaries and Benefits			
Salaries	375,000	379,918	101%
Payroll Taxes	31,000	28,511	92%
Retirement Expense	10,275	6,792	66%
Subtotal - Salaries	416,275	415,222	100%
Office Expense			
Telecommunications	17,500	13,461	77%
Printing	2,000	0	0%
Materials and Supplies	6,000	2,159	36%
Postage and Delivery	1,500	132	9%
Law Service and Books	2,500	1,490	60%
Computer Equipment and Furniture-Depreciation	5,000	2,918	58%
Computer Equipment and Furniture	6,000	0	0%
Other Insurance	2,500	1,777	71%
Other	1,500	2,049	137%
Subtotal -Office Expense	44,500	23,986	54%
Travel			
Employee Travel	65,000	59,120	91%
Other Travel	40,000	21,201	53%
Chairperson Travel (SLAC-Audit-Cert-CRIC)	20,000	17,161	86%
State Delegate/Designee Travel	48,000	21,554	45%
Audit Core Team Travel	7,500	2,611	35%
State Auditor Training Travel	0	0	
Legislative travel	25,000	2,393	10%
Subtotal -Travel	205,500	124,040	60%
Contractual Services			
Rent - Office space	12,000	9,975	83%
Central Registration			
Annual Hosting	28,000	26,926	96%
Annual Maintenance, Support and Licenses	60,000	56,624	94%
Development of New System	20,000	18,696	93%
Accounting Services	10,000	6,250	63%
Legal Services	25,000	0	0%
Fund Audit	13,000	12,474	96%
Web Site Development & Hosting	9,000	6,377	71%
Federal Affairs	186,000	175,000	94%
Website Redesign	15,000	13,100	87%
Other	25,000	5,699	23%
Subtotal - Contractual Services	403,000	331,122	82%
Meeting Expenses			
Write off Receivables	0	0	
Semi Annual Meetings	55,000	60,326	110%
Committee Meetings	7,000	6,041	86%
Subtotal - Meeting Expenses	62,000	66,367	107%
Reserve	25,000	0	0%
Online Taxability Matrix	2,000	0	0%
Online Certificate of Compliance	2,000	180	9%
TOTAL EXPENSES	1,160,275	960,917	83%
Surplus(Deficit) for Budget Period	(116,625.00)	117,963	
ENDING BALANCE	\$905,774	1,140,362	

Streamlined Sales Tax Governing Board, Inc.
Balance Sheet
For the twelve months ended June 30, 2019

	Beginning Balances 7/1/2018	Ending Balances 6/30/2019	Change From Beginning of Year
Assets			
Current Assets			
Cash and cash equivalents	\$1,276,581	\$1,360,207	83,626
Meeting receivables	5,250	3,275	(1,975)
Insurance receivable	0	0	0
Prepaid Expenses	0	9,136	9,136
Total current assets	1,281,831	1,372,618	90,787
Noncurrent assets			
Furniture and equipment, net	2,039	5,637	3,598
Rent Deposit	715	715	0
Total noncurrent assets	2,754	6,352	3,598
Total assets	\$1,284,585	\$1,378,970	94,385
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	18,815	18,029	(786)
Vacation Payable	31,941	34,912	2,971
Deferred revenue-Membership	211,430	185,668	(25,762)
Deferred revenue-Meetings	0	0	0
Total current liabilities	262,186	238,608	(23,578)
Long term Liabilities			
Deferred revenue-Membership	0	0	0
Total liabilities	\$262,186	\$238,608	(23,578)
Commitments and Contingencies			
Net Assets			
Unrestricted	1,022,399	1,140,362	117,963
Total Liabilities and Net Assets	\$1,284,585	\$1,378,970	94,385

Streamlined Sales Tax Governing Board, Inc.
Cash Flow
For the twelve months ended June 30, 2019

Cash flows from operating activities

Change in net assets	117,963
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,918
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	1,975
Prepaid expenses	(9,136)
Increase (decrease) in liabilities	
Accounts payable	(786)
Accrued liabilities	2,969
Deferred revenue	(25,762)
Streamlined Conferences Cash	

New cash flows provided by operating activities **90,141**

Cash flows from investing activities

Purchases of furniture and equipment	(6,516)
--------------------------------------	---------

Net cash used in investing activities

Net increase (decrease) in cash and cash equivalents **83,625**

Cash and cash equivalents, beginning of year 1,276,581

Cash and cash equivalents, end of 4th quarter 1,360,206

Streamlined Sales Tax Governing Board- Actuals Over Time

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
BEGINNING BALANCE	\$ 361,228	\$ 640,336	\$ 842,779	\$ 832,239	\$ 718,870	\$ 656,595	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336	\$ 685,960	\$ 844,726	\$ 1,022,399
INCOME													
Member payments	\$ 604,000	\$ 600,000	\$ 473,455	\$ 606,501	\$ 580,000	\$ 620,000	\$ 620,000	\$ 775,000	\$ 954,998	\$ 983,650	\$ 983,665	\$ 983,650	\$ 983,650
Member payments held in escrow	\$ -	\$ 104,545	\$ 106,545	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publication sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ 29,622	\$ 31,101	\$ 15,133	\$ 17,481	\$ 5,345	\$ 324	\$ (603)	\$ 1,057	\$ 677	\$ 963	\$ 1,033	\$ 7,060	\$ 26,640
Other income - unrealized gain	\$ -	\$ -	\$ 5,330	\$ -	\$ (1,254)	\$ 3,896	\$ 41	\$ -	\$ -	\$ 1,964	\$ -	\$ -	\$ 0
NGA/NCSL contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meeting income	\$ 268,575	\$ 188,635	\$ 79,050	\$ 80,725	\$ 67,520	\$ 49,931	\$ 48,539	\$ 51,335	\$ 48,288	\$ 62,554	\$ 45,545	\$ 49,225	\$ 68,590
TOTAL INCOME	\$ 902,197	\$ 924,281	\$ 679,513	\$ 704,707	\$ 671,611	\$ 674,151	\$ 667,977	\$ 827,392	\$ 1,003,963	\$ 1,049,131	\$ 1,030,243	\$ 1,039,935	\$ 1,078,880
EXPENSES													
Salaries and Benefits													
Salaries	\$ 212,316	\$ 238,654	\$ 242,153	\$ 244,413	\$ 242,433	\$ 296,998	\$ 289,110	\$ 303,316	\$ 299,450	\$ 339,221	\$ 342,997	\$ 309,253	\$ 379,918
Payroll taxes	\$ 17,814	\$ 16,532	\$ 17,112	\$ 17,886	\$ 17,880	\$ 22,068	\$ 21,895	\$ 22,938	\$ 22,935	\$ 25,190	\$ 26,122	\$ 23,571	\$ 28,511
Health coverage	\$ 7,243	\$ 9,980	\$ 9,772	\$ 9,782	\$ 9,782	\$ 14,975	\$ 14,183	\$ 12,661	\$ 13,932	\$ 8,324	\$ -	\$ -	\$ -
Retirement expense	\$ 150	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ 4,821	\$ 4,861	\$ 5,577	\$ 6,720	\$ 6,906	\$ 6,792
Subtotal- Salaries	\$ 237,513	\$ 266,366	\$ 270,237	\$ 273,281	\$ 271,295	\$ 334,041	\$ 305,188	\$ 343,736	\$ 341,179	\$ 378,312	\$ 375,839	\$ 339,730	\$ 415,222
Office Expense													
Telecommunications	\$ 15,150	\$ 18,624	\$ 22,803	\$ 31,738	\$ 21,617	\$ 26,822	\$ 22,915	\$ 16,564	\$ 13,885	\$ 14,944	\$ 15,706	\$ 12,817	\$ 13,461
Printing	\$ 6,856	\$ 2,162	\$ 294	\$ -	\$ 1,927	\$ (509)	\$ -	\$ 872	\$ 194	\$ 110	\$ 1,331	\$ -	\$ 0
Materials and supplies	\$ 4,191	\$ 7,947	\$ 6,066	\$ 4,855	\$ 5,303	\$ 9,370	\$ 6,711	\$ 2,364	\$ 1,388	\$ 3,785	\$ 1,795	\$ 2,280	\$ 2,159
Postage and delivery	\$ 1,902	\$ 1,355	\$ 531	\$ 915	\$ 2,517	\$ 2,999	\$ 2,947	\$ 389	\$ 275	\$ 643	\$ 354	\$ 272	\$ 132
Law service and books	\$ 1,147	\$ -	\$ 1,204	\$ 1,204	\$ 1,300	\$ -	\$ 1,300	\$ 1,404	\$ 1,470	\$ 1,470	\$ 1,617	\$ 1,617	\$ 1,490
Computer equip and furn - depre.	\$ 3,347	\$ 4,756	\$ 4,226	\$ 2,163	\$ 1,449	\$ 1,449	\$ 1,628	\$ 3,795	\$ 2,762	\$ 3,752	\$ 3,115	\$ 3,022	\$ 2,918
Computer equip and furn	\$ 5,355	\$ 1,138	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248	\$ 139	\$ -	\$ 0
Other insurance	\$ -	\$ 1,082	\$ 1,049	\$ 1,030	\$ 752	\$ 779	\$ 813	\$ 848	\$ 1,184	\$ 1,215	\$ 1,212	\$ 2,233	\$ 1,777
Credit card fees	\$ 7,855	\$ -	\$ 3,400	\$ 175	\$ -	\$ -	\$ 645	\$ 5,016	\$ 365	\$ 957	\$ -	\$ 226	\$ 2,049
Other	\$ 45,803	\$ 37,064	\$ 39,723	\$ 42,080	\$ 34,865	\$ 40,909	\$ 36,958	\$ 31,252	\$ 23,165	\$ 28,375	\$ 26,208	\$ 22,931	\$ 23,986
Subtotal-Office Expense	\$ 98,180	\$ 48,925	\$ 50,752	\$ 48,662	\$ 45,656	\$ 53,219	\$ 46,316	\$ 50,487	\$ 43,658	\$ 40,845	\$ 41,384	\$ 51,676	\$ 59,120
Travel	\$ 3,891	\$ 15,172	\$ 20,418	\$ 44,346	\$ 29,142	\$ 41,897	\$ 21,853	\$ 40,612	\$ 26,573	\$ 15,928	\$ 20,028	\$ 27,887	\$ 21,201
Employee travel													
Other travel													
Chairperson travel													
State Delegate/Designee Travel													
Audit Core Team Travel													
State Auditor Training Travel													
Legislative travel													
Subtotal- Travel	\$ 33,071	\$ 64,098	\$ 71,170	\$ 104,005	\$ 77,296	\$ 108,542	\$ 88,239	\$ 103,575	\$ 90,730	\$ 72,459	\$ 127,223	\$ 117,969	\$ 124,040
Contractual Services													
Rent - office space	\$ 8,287	\$ 10,452	\$ 10,941	\$ 11,402	\$ 11,513	\$ 11,680	\$ 12,147	\$ 9,376	\$ 9,515	\$ 9,825	\$ 9,971	\$ 10,255	\$ 9,975
Central registration	\$ 52,594	\$ 8,094	\$ 6,500	\$ 10,250	\$ 6,500	\$ 35,965	\$ 65,008	\$ 36,820	\$ 164,502				
Annual Hosting													
Annual Maint. Support and Licenses													
Development of New System													
Accounting services	\$ 11,400	\$ 10,950	\$ 8,205	\$ 7,560	\$ 4,858	\$ 6,758	\$ 8,373	\$ 6,630	\$ 5,923	\$ 6,682	\$ 6,381	\$ 6,650	\$ 6,250
Legal services	\$ 11,050	\$ 2,200	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,609	\$ 0
Fund audit	\$ 9,000	\$ 9,000	\$ 10,000	\$ 7,500	\$ 10,060	\$ 10,076	\$ 10,000	\$ 10,068	\$ 10,029	\$ 10,400	\$ 9,998	\$ 13,500	\$ 12,474
Web site development and hosting	\$ 540	\$ -	\$ 17,178	\$ 20,664	\$ -	\$ 7,694	\$ 7,579	\$ 10,792	\$ 9,883	\$ 7,339	\$ 4,409	\$ 5,889	\$ 6,377
Federal affairs	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ 179,000	\$ 180,000	\$ 195,000	\$ 175,000	\$ 186,000	\$ 186,000	\$ 186,000	\$ 175,000
Website Redesign													
Other	\$ 5,429	\$ 28,218	\$ 113,392	\$ 59,193	\$ 58,151	\$ 8,390	\$ 5,031	\$ 7,719	\$ 6,299	\$ 5,912	\$ 3,040	\$ 3,712	\$ 5,699
Subtotal - Cont. Svcs.	\$ 98,300	\$ 68,914	\$ 166,216	\$ 297,019	\$ 271,082	\$ 259,563	\$ 288,138	\$ 276,405	\$ 381,151	\$ 395,717	\$ 293,898	\$ 321,925	\$ 331,122
Meeting Expenses	\$ 208,402	\$ 195,036	\$ 92,546	\$ 101,691	\$ 79,348	\$ 45,145	\$ 51,339	\$ 50,309					
Write Off Receivables													
Semi Annual Meetings													
Committee Meetings													
Subtotal - Meeting Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 315	\$ 945	\$ 825	\$ 180
Reserve													
Online Taxability Matrix													
Online Certificate of Compliance													
SST uncollected use tax study													
TOTAL EXPENSES	\$ 623,089	\$ 631,478	\$ 690,054	\$ 818,076	\$ 733,895	\$ 788,250	\$ 769,862	\$ 805,277	\$ 890,353	\$ 939,505	\$ 871,478	\$ 862,263	\$ 960,917
Surplus/deficit for budget period	\$ 279,108	\$ 294,803	\$ (10,541)	\$ (113,369)	\$ (62,274)	\$ (114,100)	\$ (101,885)	\$ 22,115	\$ 113,611	\$ 109,626	\$ 158,765	\$ 177,673	\$ 117,963
ENDING BALANCE	\$ 640,336	\$ 935,139	\$ 832,238	\$ 718,870	\$ 656,596	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336	\$ 685,962	\$ 844,726	\$ 1,022,398	\$ 1,140,362

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Streamlined Sales Tax Governing Board
October 2019
FYE June 30, 2021 Proposed Budget

	Proposed Revised FYE20		FYE 21 Proposed		Proposed Change
BEGINNING BALANCE	\$	1,140,362	\$	1,070,237	\$ (70,125)
INCOME					
Member payments	\$	983,650	\$	983,650	\$ -
Member payments held in escrow	\$	-	\$	-	\$ -
Investment income	\$	15,000	\$	15,000	\$ -
Other income					\$ -
Meeting Income	\$	50,000	\$	50,000	\$ -
TOTAL INCOME	\$	1,048,650	\$	1,048,650	
EXPENSES					
Salaries and Benefits					
Salaries	\$	385,000	\$	390,000	\$ 5,000
Payroll taxes	\$	31,000	\$	32,000	\$ 1,000
Retirement expense	\$	10,275	\$	11,000	\$ 725
Subtotal- Salaries	\$	426,275	\$	433,000	
Office Expense					
Telecommunications	\$	16,000	\$	16,000	\$ -
Printing	\$	2,000	\$	2,000	\$ -
Materials and supplies	\$	5,000	\$	5,000	\$ -
Postage and delivery	\$	1,500	\$	1,500	\$ -
Law service and books	\$	3,500	\$	3,500	\$ -
Depreciation	\$	5,000	\$	5,000	\$ -
Computer equipment and furniture	\$	6,000	\$	6,000	\$ -
Other insurance	\$	2,500	\$	3,000	\$ 500
Credit Card Fees	\$	-	\$	-	\$ -
Other	\$	4,000	\$	4,000	\$ -
Subtotal-Office Expense	\$	45,500	\$	46,000	
Travel					
Employee travel	\$	65,000	\$	65,000	\$ -
Other travel	\$	35,000	\$	35,000	\$ -
Chairperson Travel (SLAC, Audit, Cert & CRIC)	\$	20,000	\$	20,000	\$ -
Legislative travel	\$	25,000	\$	25,000	\$ -
State Delegate/Designee Travel	\$	48,000	\$	48,000	\$ -
State Auditor Training Travel Reimb	\$	24,000	\$	-	\$ (24,000)
Audit Core Team Travel	\$	20,000	\$	10,000	\$ (10,000)
Subtotal- Travel	\$	237,000	\$	203,000	
Contractual Services					
Rent - office space and utilities	\$	12,000	\$	13,000	\$ 1,000
Central registration					
Annual Hosting	\$	28,000	\$	28,000	\$ -
Annual Maintenance, Support and Licenses	\$	60,000	\$	60,000	\$ -
Development of New System (System Updates)	\$	15,000	\$	15,000	\$ -
Website Redesign	\$	-	\$	-	\$ -
Accounting services	\$	10,000	\$	11,000	\$ 1,000
Legal services	\$	25,000	\$	25,000	\$ -
Fund audit	\$	13,000	\$	14,000	\$ 1,000
Web site development and hosting	\$	11,000	\$	11,000	\$ -
Federal affairs	\$	120,000	\$	120,000	\$ -
Other	\$	25,000	\$	25,000	\$ -
Subtotal - Cont. Svcs.	\$	319,000	\$	322,000	
Meeting Expenses					
Semi Annual Meetings	\$	55,000	\$	55,000	\$ -
Committee Meetings	\$	7,000	\$	7,000	\$ -
Reserve	\$	25,000	\$	25,000	\$ -
Online Taxability Matrix	\$	2,000	\$	2,000	\$ -
Online Certificate of Compliance	\$	2,000	\$	2,000	\$ -
TOTAL EXPENSES	\$	1,118,775	\$	1,095,000	
Surplus/Deficit for Budget Period	\$	(70,125)	\$	(46,350)	\$ 23,775
ENDING BALANCE	\$	1,070,237	\$	1,023,887	\$ (46,350)

Streamlined Sales Tax Governing Board, Inc.

To: Rep. Brian Patrick Kennedy, President
Streamlined Sales Tax Governing Board

From: Streamlined Sales Tax Governing Board Compliance Review and Interpretations
Committee - David Steines, Chairman

Subject: 2019 State Annual Compliance Review Report

Date: September 24, 2019

The Compliance Review and Interpretations Committee (CRIC) has completed its annual recertification review of member states in accordance with Rule 803 of the Streamlined Sales Tax Governing Board, Inc. CRIC, with assistance from Governing Board staff reviewed member states' (states) compliance with the provisions of the Streamlined Sales and Use Tax Agreement (Agreement) following each state's submission of its statement of compliance (or statement of noncompliance) and updated online certificate of compliance and taxability matrix.

Governing Board staff made an initial review of each state's certificate of compliance and taxability matrix and identified issues of possible noncompliance with the Agreement. (Note: If needed, the staff also contacted states regarding suggested clarifications or corrections to the citations on the certificates of compliance and taxability matrix. These types of items were not included on the report if the state made the necessary changes and submitted a revised taxability matrix or certificate of compliance as needed.) Staff raised possible compliance issues with Georgia and Rhode Island. The states and the public had a fifteen-day period to respond to the issues raised by the staff and to raise additional issues of possible noncompliance. One public comment was received in that fifteen-day period raising issues with 2 additional states, Indiana and Michigan. States and the public were given an additional ten days to respond to any issues raised or to respond to comments made during the original fifteen-day comment period.

CRIC held a public hearing on September 17, 2019, during which each state responded to the CRIC members, Governing Board staff and public regarding any questions or issues of possible noncompliance. The public was also given an opportunity to comment or raise other concerns with states' compliance. At this time another question was raised with respect to Rhode Island's compliance as it related to specified digital goods by representatives of the Business Advisory Council.

CRIC took a public vote on whether each state was or was not out-of-compliance with the Agreement pursuant to Section 805. A single vote was taken for the 19 states that did not receive public comments and no other issues were raised in the review. Those states were AR, IA, KS, KY, MN, NE, NV, NJ, NC, ND, OH, OK, SD, UT, VT, WA WV, WI and WY. Separate votes were taken on GA, IN, MI and RI.

Streamlined Sales Tax Governing Board, Inc.

All votes were made taking a voice vote and were unanimous, unless it is specifically noted that a roll call vote was taken along with the corresponding vote. All CRIC members abstained from voting on their own state's compliance.

Three issues were carried over from the 2018 review that had not been resolved by the August 1, 2019 recertification date and, therefore, were not considered during the 2019 review. The issues are as follows:

1. How does Section 310 sourcing apply to the sourcing of digital goods that are transferred electronically without the download of the product? This issue was referred to SLAC by the Governing Board several years ago. Work on this issue was put on hold and the Governing Board is continuing to monitor federal legislation in this area.
2. In Section 314.C.3 of the Agreement, is the option of using the mobile phone number in Section 310 sourcing of prepaid wireless calling service an option for the state to choose from or is it an option for the seller? The Agreement should be clarified with respect to the option to use the mobile phone number when sourcing prepaid wireless calling service. CRIC recommended the issue be assigned to SLAC or the Executive Committee to seek a final resolution.
3. Under the Agreement, is access to prewritten computer software treated as tangible personal property, other products transferred electronically, or either as tangible personal property or other products transferred electronically? This issue was referred to SLAC in 2011 for resolution by the State and Local Advisory Council's Remote Access to Prewritten Computer Software Workgroup. No final decision was made and accordingly, CRIC has deferred this issue. The Business Advisory Council has indicated that it is amenable to the continued deferral of the issue, but has noted that their agreement should not be interpreted as acceptance to statements made by the member states on the issue.

The following summary includes: CRIC's finding as to whether the state is or is not out of compliance with the Agreement, the result of CRIC's vote on the finding for each state, a summary of the issues raised for each member state and the state's response.

As chair of the committee, I would like to express my appreciation for the work of the committee members and the staff of the Governing Board in this important task. I would also like to thank the representatives of the states that worked with the committee and staff, the Business Advisory Council, and the members of the public that provided input.

State Action:

Streamlined Sales Tax Governing Board, Inc.

Arkansas

Finding: CRIC recommends that Arkansas be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 5-0; Steines, Jennrich, Matelski, Harper and Jares (One vacancy and Atchley abstained)

Georgia

Finding: CRIC finds that Georgia remains out-of-compliance with the Agreement on the exemption administration/good faith issue, SER acceptance issues, the cap of \$35,000 in tax on boat repairs and the exemption for food to an equalized homestead option sales tax.

Vote: 6-0; Yes Atchley, Harper, Jares, Jennrich, Matelski, and Steines (One vacancy)

Issues:

The legislature in 2012 reinstated the “good faith” requirement for accepting exemption certificates. The legislature did not make any change to this provision during the last legislative session. The Department of Revenue is working with their Legislature to resolve this issue.

The state accepts the SER from Model 1 sellers only. The SER schema has limitations that will not allow the (1) correct vendor compensation to be computed for sellers with multiple locations in Georgia and (2) correct reporting of differences in the state and local tax bases that are allowable under Section 302 of the Agreement. Sellers receive more vendor compensation for local taxes if they do not use the SER. The Certification Committee is considering possible revisions to the SER schema to address the Section 302 issues. The state has previously state indicated that they have not received any requests for use of the SER by other than Model 1 sellers, from whom they accept the return.

The legislature enacted a cap of \$35,000 in tax (\$500,000 in sales) on boat repairs. This type of cap is not allowed “...unless the member state assumes the administratively responsibility that places no additional burden on the retailer.”

The legislature extended the exemption for food to an equalized homestead option sales tax if such local tax is passed by referendum. This provision is intended for one county. Food is not exempted from other local sales taxes. Effective April 1, 2018 this provision became effective in DeKalb County.

Indiana

Finding: CRIC recommends that Indiana be found not out-of-compliance with the Agreement.

Streamlined Sales Tax Governing Board, Inc.

Public comment by Howard Miller from Tax Jar stated that Indiana does not allow model 4 sellers or sellers not registered under the agreement to file a SER and that Indiana is unable to allow tax preparers to utilize web services as the standardized transmission process of the uniform tax return. Indiana responded that they have allowed persons other than certified service providers to file the SER using webservices and that if someone currently came to them, they would be ready to work with them so they could file the SER. Indiana also indicated that they have implemented project procedures to deploy a plan and resource allocation that will enable Indiana to review and make changes to its system to accommodate TaxJar's filing request.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Iowa

Finding: CRIC recommends that Iowa be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Kansas

Finding: CRIC recommends that Kansas be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski Steines (One vacancy)

Kentucky

Finding: CRIC recommends that Kentucky be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Michigan

Finding: CRIC recommends that Michigan be found not in compliance with the Agreement with respect to being able to accept SERs via webservices by persons other than certified service providers.

Public comment by Howard Miller from Tax Jar stated that Michigan is unable to allow tax preparers to utilize web services as the standardized transmission process of the uniform tax return. Michigan can only allow a certified service provider to utilize the web service. SER can be uploaded 1 by 1 using browser interface. Michigan indicated that it is still waiting to test the system on its end before allowing others to test utilizing this process.

Vote: 4-0; Yes: Atchley, Harper, Jares, Jennrich and Steines (One vacancy and Matelski abstained)

Streamlined Sales Tax Governing Board, Inc.

Minnesota

Finding: CRIC recommends that Minnesota be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Nebraska

Finding: Finding: CRIC recommends that Nebraska be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Nevada

Finding: CRIC recommends that Nevada be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

New Jersey

Finding: CRIC recommends that New Jersey be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

North Carolina

Finding: CRIC recommends that North Carolina be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

North Dakota

Finding: CRIC recommends that North Dakota be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Ohio

Finding: CRIC recommends that Ohio be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Streamlined Sales Tax Governing Board, Inc.

Oklahoma

Finding: CRIC recommends that Oklahoma be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Rhode Island

Finding: CRIC recommends that Rhode Island be found not out of compliance with the Agreement as of July 1, 2019. However, with respect to its imposition of tax on specified digital goods, although Rhode Island is not out of compliance as of July 1, if Rhode Island's imposition language and taxability matrix responses relating to specified digital goods do not change between now and October 1, Rhode Island would not be in compliance with the Agreement with respect to its imposition of tax on specified digital goods as of October 1, 2019.

Rhode Island noted in their certificate of compliance that they were not yet in compliance with Sec 318.D web services requirement. However, as of September 24, 2019, they indicated that they did deploy the changes necessary to meet this requirement. In addition, an issue was raised by the Business Advisory Council (BAC) during the public comment period regarding the provision imposing tax on specified digital goods that takes effect on 10/1/2019. The BAC indicated that the statutory language did not clearly indicate that the tax was only imposed on end users, that the tax was imposed if continued payments are required or that the tax was imposed on less than permanent use. However, their taxability matrix indicated that these situations were all subject to tax. It was noted that the compliance review is based on their laws in effect as of July 1, 2019, but that if this is Rhode Island's interpretation of their law, it would not be consistent with the requirements of Section 332.D of the Streamlined Sales and Use Tax Agreement as of October 1, 2019.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy).

South Dakota

Finding: CRIC recommends that South Dakota be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 5-0; Yes: Atchley, Harper, Jennrich, Matelski and Steines (One vacancy and Jares abstained)

Tennessee (Associate Member State)

Finding: CRIC recommends that Tennessee be found not out-of-compliance with the requirements of the Agreement as an Associate Member State. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Streamlined Sales Tax Governing Board, Inc.

Utah

Finding: CRIC recommends that Utah be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 5-0; Yes: Atchley, Jares, Jennrich, Matelski and Steines (One vacancy – Harper abstained)

Vermont

Finding: CRIC recommends that Vermont be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Washington

Finding: CRIC recommends that Washington be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 5-0; Yes: Atchley, Harper, Jares, Matelski and Steines (One vacancy and Jennrich abstained)

West Virginia

Finding: CRIC recommends that West Virginia be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

Wisconsin

Finding: CRIC recommends that Wisconsin be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 5-0; Yes: Atchley, Harper, Jares, Jennrich and Matelski (One vacancy and Steines abstained)

Wyoming

Finding: CRIC recommends that Wyoming be found not out-of-compliance with the Agreement. There were no issues identified.

Vote: 6-0; Yes: Atchley, Harper, Jares, Jennrich, Matelski and Steines (One vacancy)

A motion by Kentucky to amend Sections 302 and 308 to facilitate the separate reporting of items with alternate tax rates and bases.

Section 302: STATE AND LOCAL TAX BASES

A. The tax base for local jurisdictions shall be identical to the state tax base unless otherwise prohibited by federal law.

B. This section does not apply to sales or use taxes levied on:

1. Fuel used to power motor vehicles, aircraft, locomotives, or watercraft;
2. Electricity, piped natural or artificial gas or other fuels delivered by the seller;
3. The retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes; and
4. Energy. Solely for purposes of this section and section 308, “energy” 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. 1. A state that allows a different local base as provided in this section may allow the reporting of these taxes on the Simplified Electronic Return using the format approved by the Governing Board.
2. A state that has a different local base as provided in this section may provide information on the different bases or different rates as provided in Section 308 in a separate boundary file using the format approved by the Governing Board.
3. The approved formats for reporting on the SER and the optional boundary file will be published in the Streamlined Sales Tax Technology Guide.
4. States that choose to require separate reporting of these taxes on the SER must notify the Governing Board of their intention to do so and would be effective no sooner than the first day of a calendar quarter beginning at least 6 months after notifying the Governing Board.

Section 308: STATE AND LOCAL TAX RATES

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

B. A member state that has local jurisdictions that levy a sales or use tax shall not have more than one local sales tax rate or more than one local use tax rate per local jurisdiction. If the local jurisdiction levies both a sales tax and use tax, the local rates must be identical.

A motion by Kentucky to amend Sections 302 and 308 to facilitate the separate reporting of items with alternate tax rates and bases.

C. The provisions of this section do not apply to sales or use taxes levied on energy as defined in Section 302 of the Agreement, fuel used to power motor vehicles, aircraft, locomotives, or watercraft, or to electricity, piped natural or artificial gas, or other fuels delivered by the seller, or the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes.

- D. 1. A state or local jurisdiction that allows a different rate on items of personal property or services as provided in this section may allow the reporting of these taxes on the Simplified Electronic Return using the format approved by the Governing Board.
2. A state or local jurisdiction that has different rates as provided in this section may provide information on the different rates or different bases as provided in Section 302 in a separate boundary file using the format approved by the Governing Board.
3. The approved formats for reporting on the SER and the optional boundary file will be published in the Streamlined Sales Tax Technology Guide.
4. States that choose to require separate reporting of these taxes on the SER must notify the Governing Board of their intention to do so and would be effective no sooner than the first day of a calendar quarter beginning at least 6 months after notifying the Governing Board.

2020 Slate of Candidates

Officers and Directors

Officers:

President - Tim Jennrich (Washington)

1st Vice President - Senator Ann Rest (Minnesota)

2nd Vice President – Clark Jolley (Oklahoma)

Secretary/Treasurer – Diane Hardt (Wisconsin)

Directors (two year term that ends December 31, 2021): (Need to elect 3)

Mike Walsh (Nebraska)

Tom Atchley (Arkansas)

Assemblywoman Dina Neal (Nevada)

2020 Slate of Candidates

Nominating Committee

Nominating Committee (one year term that ends December 31, 2020):

Representative Kennedy (Rhode Island)

Senator Curt Bramble (Utah)

Laura Stanley (Ohio)

Dan Noble (Wyoming)

Lance Wilkinson (Michigan)

Mike Walsh (Nebraska)

Senator Ann Rest (Minnesota)

Guy Childers (Nevada)

Streamlined Sales Tax Governing Board – State and Local Advisory Council (SLAC) Meeting

Agenda

**October 1, 2019
Charleston, WV**

- Welcome & Introductions
- Opening Comments from SLAC Chair/Vice-Chair and Craig
- Section 401.D Workgroup Updates-Educating Sellers About Other Possible Taxes Owed ([SL19002](#))
 - Provision as currently in Member State Laws ([SL19020](#))
 - Draft Interpretive Rule/SSUTA Amendment ([SL19006A03](#) and [SL19017A01](#))
- Alternate Rate and Jurisdiction Database
 - Amendment to Section 302 and 308 ([AM19001](#))
 - Alternate Rate-Boundary Reporting Suggestion ([SL19014](#))
- Filing Multiple Returns Under Single FEIN ([SL19003](#))
- Reporting Other Taxes on SER ([SL19001](#))
- SLAC Workgroup – Definition of Breast Pumps ([SL19015](#))
 - Current Member State Impact ([SL19019](#))
 - Draft definition for consideration ([SL19021](#))
 - Model Legislation From Coalition ([SL19016](#))
- Marketplace facilitators ([SL19018](#))
 - Certification of collection on behalf of marketplace sellers
 - Exemption Certificates
 - Survey Results ([SL19022](#))
- Sourcing Florist Sales – Post-*Wayfair*
 - Survey Results ([SL19023](#))
- Non-member State Participation
 - Identifying Barriers
 - Benefits to Non-Member States
- New Business

- Old Business
 - Exemption Certificate Survey ([SL19024](#))
- Comments/Announcements

**State and Local
Advisory Council
(SLAC) Delegates**

(Revised 4/20/2019)

State	Delegate	Additional or Alternate(s)
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Delegates and Additional Participants

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Streamlined Sales Tax Governing Board

State and Local Advisory Council

Common Questions Related to Implementation of *Wayfair* Decision

Numerous questions have been raised to the Streamlined Sales Tax Governing Board since the *Wayfair vs. South Dakota* decision was issued. The SSTGB has created a chart that addresses many of the questions on a state by state basis. (See xxxx) In addition, below are questions with responses and examples to help provide guidance regarding the implementation of state laws under the *Wayfair* decision.

- Are you a “Remote Seller”?

A “Remote Seller” is generally a seller that does not have a physical presence in a state but who sells products or services for delivery into that state.

- If a state applies its economic nexus threshold based on “gross sales,” how is the threshold computed?

Proposed Response: If the threshold is applied based on “gross sales,” all sales and transactions into the state are included in determining whether the seller meets or exceeds the threshold, including sales for resale and other exempt or nontaxable sales.

Example –

Company A has \$400,000 (400 transactions) in total sales to State 1 for the calendar year that are made up of the following:

- \$220,000 (220 transactions) of those sales are to wholesalers that provided exemption certificates claiming sales for resale.
- \$75,000 (75 transactions) of those sales are to purchasers claiming exemption for purposes other than resale (use in manufacturing (exemption certificate on file, sales to exempt entities).
- \$10,000 (10 transactions) of those sales are sales that qualify for product exemptions.
- \$95,000 (95 transactions) are taxable sales to purchasers.

Company A has \$400,000 (400 transactions) in gross sales for purposes of computing the thresholds.

- If a state applies its threshold based on “retail sales,” how is the threshold computed?

Proposed Response: “Retail sales” are defined in the SST agreement, in part, as any sale other than a sale for resale. Since sales for resale are specifically excluded from the definition of “retail sale,” they are not included in the threshold computation. However, sales that are not taxable because of the provision of an exemption certificate or that are exempt due to a product exemption, such as food in certain states, are included in the computation.

Example –

Company A has \$400,000 (400 transactions) in total sales to State 1 for the calendar year that are made up of the following:

- \$220,000 (220 transactions) of those sales are to wholesalers that provided exemption certificates claiming sales for resale.
- \$75,000 (75 transactions) of those sales are to purchasers claiming exemption for purposes other than resale (use in manufacturing, sales to exempt entities).
- \$10,000 (10 transactions) of those sales are sales that qualify for product exemptions.

**Streamlined Sales Tax Governing Board
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Common Questions Related to Implementation of *Wayfair* Decision**

- \$95,000 (95 transactions) are taxable sales to purchasers.

Company A has \$180,000 (180 transactions) in sales that count toward the threshold computation.

- If a state applies its threshold based on “taxable sales” how is the threshold computed?

Proposed Response – “Taxable sales” means all transactions that are (or should be) taxed. Transactions that are not taxed due to the provision of an exemption certificate or other documentation on the part of the purchaser are not included in “taxable sales.”

Example –

Company A has \$400,000 (400 transactions) in total sales to State 1 for the calendar year that are made up of the following:

- \$220,000 (220 transactions) of those sales are to wholesalers that provided exemption certificates claiming sales for resale.
- \$75,000 (75 transactions) of those sales are to purchasers claiming exemption for purposes other than resale (use in manufacturing, sales to exempt entities).
- \$10,000 (10 transactions) of those sales are sales that qualify for product exemptions.
- \$95,000 (95 transactions) are taxable sales to purchasers.

Company A has \$95,000 (95 transactions) in “taxable sales” that count toward the threshold computation.

- ~~If a remote seller sells their product through multiple channels (making sales through a marketplace and/or on its own website and shipped from their fixed location), how is the threshold applied? Is the number of transactions/dollar amount of sales for all the channels included in the computation or is each sales channel computed separately?~~

~~Proposed Response: A remote seller making sales through multiple channels (i.e., making sales through a marketplace and on its own website and shipped from their fixed location) shall include sales both made through the marketplace and on its own website when computing the sales and/or transactions amounts to determine if the threshold of a particular state is met.~~

~~Example –~~

- ~~Seller A offers its products for sale (a) on Marketplace X’s marketplace; and (b) on Seller A’s own website.~~
- ~~Seller A’s sales on Marketplace X’s marketplace are \$120,000 in State 1, \$95,000 in State 2 and \$25,000 in State 3.~~
- ~~Seller A’s sales from its own website are \$75,000 in State 1, \$20,000 in State 2 and \$80,000 in State 3.~~

~~Each state determines whether a remote seller selling through a marketplace is required to include the sales made through the marketplace in its computation of the economic nexus threshold. If the state requires the remote seller to include sales made through the marketplace in its computation, Seller A would include all sales of its products, including those made through its own website as well as those sold~~

Streamlined Sales Tax Governing Board

State and Local Advisory Council

Common Questions Related to Implementation of *Wayfair* Decision

on Marketplace X's marketplace. Seller A is responsible for reporting the sales from its own website and from its brick and mortar location to each of the states, Seller A would include \$225,000 for State 1 (\$120,000 from the marketplace, \$75,000 from website and \$30,000 shipped from its store location), \$185,000 for State 2 (\$95,000, \$20,000 from website and \$70,000 shipped from its store location) and \$115,000 \$140,000 for State 3 (\$25,000 from the marketplace, \$80,000 from website and \$35,000 shipped from its store location).

In computing the threshold, the Marketplace includes all sales made from Marketplace X's marketplace, including sales of its own products and products of the third party seller. In the example above, Marketplace X would include the \$120,000 in State 1, \$95,000 in State 2 and \$25,000 in State 3 in its computation to determine if it exceeds the threshold in each of those states respectively.

- What happens if the 200 transactions or \$100,000 threshold was not reached in the previous calendar year, but is reached part way through the current calendar year? Is tax due on the first 200 transactions/\$100,000 in sales or is tax due beginning on the 201st transaction or first dollar past \$100,000?

Proposed Response: In a state that bases the threshold on the previous calendar year or the current calendar year, if the threshold was not reached in the previous calendar year, but is reached part way through the current calendar year, the seller is responsible for collecting and remitting the tax on those transactions and sales that occur after the threshold has been met for the remaining part of the current year and all of the following year. The seller is not responsible for collecting and remitting the tax on the transactions that occurred prior to meeting the threshold. If the state bases the threshold solely on the previous calendar year, the remote seller is not required to collect and remit tax in the current year. [Alternative response: If the threshold is met in the current year, the seller shall register and begin remitting tax for the period beginning the first day of the calendar month that begins at least 30 calendar days after the threshold is met.]

- What happens if the transaction to go over the \$100,000 threshold is a \$25,000 transaction (seller was at \$90,000 in sales and then makes \$25,000 sale)? Is tax due on the entire \$25,000, just \$15,000 (amount in excess of \$100,000), or something else?

Proposed Response: If the threshold is reached part way through a transaction, the seller is not responsible for the tax on that transaction, but is responsible for the tax on any subsequent transactions. (Note: The purchaser is still responsible for reporting any tax due on this transactions directly to the state.)

- When does a remote seller that crosses the threshold have to start collecting? Is it effective immediately, the 1st of next month, the 1st of next quarter, or the 1st of next year?

Proposed Response In a state that bases the threshold on the previous calendar year or the current calendar year, if the threshold was not reached in the previous calendar year, but is reached part way through the current calendar year, the seller is responsible for collecting and remitting the tax on those transactions and sales that occur after the threshold has been met for the remaining part of the current

Streamlined Sales Tax Governing Board

State and Local Advisory Council

Common Questions Related to Implementation of *Wayfair* Decision

year and all of the following year. The seller is not responsible for collecting and remitting the tax on the transactions that occurred prior to meeting the threshold. If the state bases the threshold solely on the previous calendar year, the remote seller is not required to collect and remit tax in the current year. If the threshold is reached part way through a transaction, the seller is not responsible for the tax on that transaction, but is responsible for the tax on any subsequent transactions.

- Is a remote seller that only engages in nontaxable sales (i.e. wholesale only, all sales to manufacturers, etc.) required to obtain a sales tax permit/license?

Proposed response: The following states do not require a seller that only engages in nontaxable sales to obtain a sales tax permit/license.

- Kentucky
- Michigan
- Minnesota
- Oklahoma
- Rhode Island
- Wisconsin

- Does a remote seller that exceeds a State's economic nexus threshold but otherwise meets the definition of a "volunteer seller" under the contract the Streamlined Sales Tax Governing Board has with the CSPs qualify for free CSP services?

Proposed Response: If a remote seller is only required to report and remit sales tax in a state because it meets the economic nexus threshold of a state, the remote seller qualifies for free CSP services.

- Did the Wayfair decision change the registration obligations of sellers with physical presence in the state? If a seller is below the economic nexus threshold but has transient physical presence in the state, are they liable required to collect that state's tax or not? For example, a seller is a few days in the state for a few days for installation, training or a trade show.

Proposed Response: The requirements for sellers that have a physical presence in a state to register to collect and remit the tax did not change under the *Wayfair* decision. Therefore, if a seller has transient physical presence in a state, the seller would need to check with that state to determine if the seller is required to collect and remit that state's sales or use tax.

Implementation Dates

- How much time will the state provide sellers to implement collection processes once the seller reaches the threshold?

Proposed Response: Each state makes its own determination as to when a seller that reaches the threshold is required to start collecting and remitting the applicable sales or use tax.

- Can a state delay the date a seller needs to register to say first day of month that is at least 30 days after they reach the threshold?

Streamlined Sales Tax Governing Board State and Local Advisory Council Common Questions Related to Implementation of *Wayfair* Decision

~~Proposed Response: Each state will make this determination. Some states have indicated that they will allow sellers a certain amount of time after they reach the threshold to begin collecting and remitting their tax.~~

- ~~• Will the states allow a seller that has contracted with a CSP a period of time to get the system set up to start collecting and remitting the tax?~~

~~Proposed Response: Reasonable accommodation — Is it different when a CSP is involved?~~

~~Rule 401.1 of the SSUTA rules provides: For a volunteer seller registering as a Model 1 Seller, the seller's obligation under SSUTA to collect and remit will commence no later than the first day of the calendar month 60 days after registration on the central registration system.~~

- ~~• Some sellers don't have the ability to use a standard tax calculation engine and are not true "internet retailers." It will take time for these sellers to implement a collection and reporting system. Will the states hold a seller liable for tax they can't collect because they don't have the ability to collect for some period of time in these situations? Remote sellers may not be ready to collect and remit by the state's implementation date. Will the states allow more time?~~

~~Proposed Response: Each state will make this determination. Generally, States will work with remote sellers.~~

- ~~• If a marketplace does not allow a remote seller to begin collection of sales tax until the remote seller has obtained its ID number and a state is delayed in providing the State ID number, what option does the remote seller have?~~

~~Proposed Response: Sellers can register in any of the 24 Streamlined Member States and immediately receive their Streamlined Sales Tax Identification number (SSTID) upon submitting their application. This number may be used for every one of the Streamlined member states.~~

- ~~• Once a seller has selected a CSP, how quickly can the CSP onboard businesses that aren't on their system yet? Do the CSPs have long wait times to get customers up that aren't currently a customer of theirs?~~

~~Proposed Response: Each CSP has an onboarding process for their customers. Some of the CSPs may be able to onboard a new customer quicker than others. Therefore, a seller should contact the CSP to determine how quickly they can onboard its business.~~

Drop Shipper and Drop Shipments

- How are drop shippers and drop shipments affected?

Proposed Response: SSUTA Section 317 provides that in the case of drop shipment sales, member states must allow a third party vendor (e.g., drop shipper) to claim a resale exemption based on an exemption certificate provided by its customer/re-seller or any other acceptable information

Streamlined Sales Tax Governing Board State and Local Advisory Council Common Questions Related to Implementation of *Wayfair* Decision

available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer/re-seller is registered to collect and remit sales and use tax in the state where the sale is sourced.

SSUTA Rule 317.2 provides additional information related to drop shipments

Exemption Administration

- Are sellers required to obtain and maintain paper copies of exemption certificates?

Proposed Response: ~~No.~~ Pursuant to SSTGB Rule 317.1.A.10, 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. [LINK TO EXEMPTION INFORMATION](#). ~~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. 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. A faxed exemption certificate is considered a paper exemption certificate and requires a signature. 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.~~

Central Registration System Issues

- Not every state has an economic nexus law or provision in place. ~~Therefore, sellers that don't have to collect the applicable tax in a state generally don't want to.~~ Are sellers required to register in every Streamlined full member state or can they select the states in which they want to register?

Proposed Response: The SSTRS was revised to allow sellers to select only those states in which they want to register.

- If a seller registers through Streamlined and later hits the threshold in another state or wants to begin collecting in ~~another that~~ states, will the seller be able to easily update its registration to register for that next state?

Proposed Response: Once a seller is registered through the SSTRS in a state, the seller will be able to update its registration to add the additional state(s), provided that the state is ~~either~~ a member of Streamlined ~~or has elected to participate in the SSTRS~~.

- When a company registers through the SSTRS, can they set the effective date of their registration for a state to be in the future? This would allow sellers to get registered early so that they have their permit when they are ready to open.

Proposed Response: At the time the seller registers, the SSTRS allows a seller to register and set their first sales date up to the first day of the calendar month that is no more than 60 days in the future.

**Streamlined Sales Tax Governing Board
State and Local Advisory Council
Common Questions Related to Implementation of *Wayfair* Decision**

- If sellers are allowed to pick and choose which states they want to register for using the SSTRS, will the SST states in which the seller did not register still have access to that seller's registration information?

Proposed Response: When a seller registers through the SSTRS, their registration information will only be transmitted to those states in which the seller has elected to register. However, states that are full SST members are allowed access to an extract which ~~shows~~ identifies everyone registered through the SSTRS.

- Many non-U.S. companies sell in the U.S. (non-US ecommerce sellers). These taxpayers often have no address in the U.S. and officers who are not US citizens and have no SSN or ITIN. Is the SSTRS designed to allow registration by foreign country clients with no US address, no SSN/ITIN for officers?

Proposed Response: The ~~current~~ SSTRS allows foreign sellers that have no EIN or ITIN to register using this system. At the time of registration, the seller indicates "Other" for type of identification number and a number is assigned for registration purposes. (Note: If the seller has a United States location or mailing address, then either an EIN or SSN is required.)

State	Effective Date of Remote Seller Collection Requirement	Threshold	Basis of Threshold	Does the State have Marketplace Provisions	Are Marketplace sales included in Seller's Threshold calculation	Link to State Statute if release is not out	State Remote Seller Information Release	GROSS REVENUES/RECEIPTS	GROSS SALES	RETAIL SALES	TAXABLE SALES	Invoice (INV) vs. Individual Item (IND)
Alabama	10/1/2018	More than \$250,000 in annual retail sales	Retail sales based on previous calendar year	Y	Y		https://revenue.alabama.gov/2018/07/03/ador-announces-sales-and-use-tax-guidance-for-online-sellers/			X		
Alaska	N/A											
Arizona	10/1/2019	Annual gross retail sales or income from online sales into Arizona is more than \$200,000 in 2019, \$150,000 in 2020 and \$100,000 in 2021 and thereafter.	Previous or current calendar year	Y	N		https://ador.gov/news-events/notices/new-ador-unvells-resources-new-remote-seller-and-marketplace-facilitator-tax			Y		
Arkansas	7/1/2019	Exceeding \$100,000 or 200 transactions	Aggregate sales in previous calendar year or current year	Y	Y		https://www.dfa.arkansas.gov/excise-tax/sales-and-use-tax/remote-sellers		X			
California	4/1/2019	The total combined sales exceeding \$500,000	Preceding or current calendar year	Y			http://cdtfa.ca.gov/industry/wayfair.htm		X			
Colorado	12/1/2018	Taxable sales of more than \$100,000 in prior or current calendar year	Previous or current calendar year	Y	Y		https://www.colorado.gov/pacific/tax/sales-tax-information-out-state-retailers	X				
Connecticut	12/1/2018 7/1/2019	\$250,000 or more in gross receipts or 200 or more retail transactions 100,000 or more in gross receipts and 200 or more retail transactions	Gross receipts and retail sales for 12 month period ending September 30 immediately preceding	Y	Y		http://www.ct.gov/drs/lib/drs/publications/pubs_39/2018/072018-5.pdf https://portal.ct.gov/DPS/legislative-Summary/2019-Legislative-Updates/Regular-Session-State-Bill-Legislation-Overview	X				
Delaware	N/A											

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Georgia	1/1/2019	Gross revenue exceeding \$250,000 or 200 or more retail sale transactions** Beginning 1/1/2020 Gross revenue exceeding \$100,000 or 200 or more retail	Gross revenue and retail sales for previous or current calendar year	N				https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LATP/Policy%20Bulletin/PB_5_UT-2019-02_Remote_Sellers.pdf		X		INV
Hawaii	7/1/2018	\$100,000 or more in gross income or 200 or more transactions	Gross income or gross proceeds in the current or preceding calendar year	Y	Y			https://files.hawaii.gov/tax/news/announces/am1_8_20_amended.pdf	X			
Idaho	6/1/2019	Sales that exceed \$100,000	Previous or current calendar year	Y	6/1/2019			https://tax.idaho.gov/1171.cfm				
Illinois	10/1/2018	Sales of at least \$100,000 or 200 individual transactions		Y	Y			https://www.revenue.state.il.us/Publications/Bull_etns/2019/ETN-2019-05.pdf				
Indiana	10/1/2018	Gross revenue exceeding \$100,000 or 200 or more separate transactions	Previous calendar year or current calendar year	Y (7/1/2019)	Y			https://www.in.gov/dor/6367.htm	X			
Iowa	1/1/2019	\$100,000 or more in sales one 200 or more separate transactions (7/1/2019)		Y	Y			https://tax.iowa.gov/remotesellers	X			
Kansas	10/1/2019	Remote sellers with no physical presence in Kansas are required to collect and remit the applicable sales or use tax on sales delivered into Kansas, as provided under the constitution and laws of the United States. \$100,000 or more in gross receipts or 200 or more transactions into the state		Y			https://ksa.79-3702(h)	https://taxpolicy.kdor.ks.gov/Files/Introductory%20NSF/23dec466d6d6f55623656e035c41cd36c22b7e183ba2862584900363028/OpenDocument				
Kentucky	10/1/2018	Gross receipts based on previous or current calendar year sales	Gross receipts based on previous or current calendar year sales	Y 7/1/2019	Y		https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=49175	https://tax.kansaweb.org/Sales-and-Excise-Taxes/Pages/default.aspx	X			

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Louisiana	1/1/2019	Sales of at least \$100,000 or 200 individual transactions		Y	Y	https://revenue.louisiana.gov/NewsAndPublications/Alerts/2018/fa_aug2018_v028_iss6.html				
Maine	7/1/2018	Exceeding \$100,000 in gross revenues or 200 separate transactions	Gross revenues based on current or previous calendar year	Y	Y	https://www.maine.gov/revenue/publications/alerts/2018/fa_aug2018_v028_iss6.html	X			
Maryland	10/1/2018	Gross revenues exceeds \$100,000 or 200 or more separate transactions	Previous or current calendar year		Y	http://taxes.marylandtaxes.gov/business/Taxes/Business_Tax_Types/Sales_and_Use_Tax/Tax_Information/Tax_Regulations/Sales-and-Use-Tax_Alerts/Regarding-South-Dakota-v-Wayfair.pdf				
Massachusetts	1/1/2018	Exceeding \$500,000 in Massachusetts sales and 100 or more transactions	Internet sales delivered into Massachusetts in the preceding calendar year	Y	Y	https://www.mass.gov/news/jus-supreme-court-releases-decision-on-wayfair-online-sales-tax-case-regulation-830-cm-64h17				
Michigan	10/1/2018	Exceeds \$100,000 or more in sales or has 200 or more transactions into the state	Gross sales in previous calendar year	Y	N	https://www.michigan.gov/documents/treasury/PUB_208-16_629240_7.pdf	X			
Minnesota	10/1/2018	100 or more retail sales shipped into Minnesota or 10 or more retail sales shipped into Minnesota that total more than \$100,000	12 consecutive months	Y	Y	https://www.revenue.state.mn.us/businesses/sut/pa/ges/Remote-Sellers.aspx	X			
	10/1/2019	Starting October 1, 2019, retail sales of more than \$100,000 or 200 or more separate retail transactions in any 12 consecutive months.								
Mississippi	9/1/2018	Greater than \$250,000 in sales	Prior 12-month period	Y	Y	http://www.dor.ms.gov/Press%20Releases/Wayfair%20NEW.pdf				
Missouri					Y					
Montana	N/A					https://mtrevenue.gov/taxes/general-sales-tax/wayfair				

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Nebraska	1/1/2019**Remote sellers who are otherwise engaged in business in Nebraska that were at or above the threshold were required to collect and remit as of January 1, 2019. All remote sellers at or above the threshold became required to collect and remit on April 1, 2019.	More than \$100,000 in sales or more than 200 transactions	Annually	Y	Y	http://www.revenue.nebraska.gov/news-remote-sellers.html		X		INV
Nevada	10/1/2018	Greater than \$100,000 in gross revenues from retail sales of tangible personal property or 200 or more retail sales of tangible personal property	Gross revenues from the immediately preceding calendar year or the current calendar year. First day of the calendar month that begins at least 30 calendar days after the retailer meets the threshold.	Y	Y	https://tax.nv.gov/FAQs/Remote-Sellers/		X		
New Hampshire	N/A									
New Jersey	07/11/2018	Gross revenue exceeds \$100,000 or 200 or more separate transactions	Current or prior calendar year	Y	Y	https://www.state.nj.us/treasury/taxation/remot-esellers.shtml	X			
New Mexico	7/1/2019	Total taxable gross receipts sales, leases and licenses, of at least \$100,000.	Previous calendar year	Y						
New York	Prior to Quill but not enforced until June 21, 2018. Once the seller meets the threshold, it has 30 days to register and an additional 20 days before it is required to collect tax.	\$100,000 or 100 transactions	Immediately preceding 4 sales tax quarters.	Y	Y	https://www.tax.ny.gov/pdf/notices/n19-1.pdf				
North Carolina	11/1/18 or 60 days after a remote seller meets the threshold, whichever is later	Gross sales in excess of \$100,000 or 200 or more separate transactions	Previous or current calendar year	Y	Y	https://www.ncleg.gov/Sessions/2019/Bills/Senate/PDF/SS64.pdf	X			

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North Dakota	10/1/18 or 60 days after threshold is met, whichever is later	Taxable sales shipped to North Dakota of \$100,000 or more or 200 or more separate transactions (1/1/2019)	Previous or current calendar year	Y 7/1/2019	Y			https://www.nd.gov/tax/remote-seller/				X	
Ohio	8/1/2019	Gross receipts greater than \$100,000 or 200 or more transactions in the current or preceding calendar year.		Y	Y			https://www.tax.ohio.gov/Portals/0/communications/news-releases/W_a_vfa1statement.pdf					
Oklahoma	1/7/2018	\$10,000 in taxable sales	Previous 12 months	Y	Y			https://www.ok.gov/tax/document/news_0_83118.pdf				X	
	11/1/2019	\$100,000 in taxable sales	Previous or current calendar year					https://www.ok.gov/tax/Businesses/Streamlined_Sales_Tax/Delaware_Remote_Seller_Law.html					
Oregon	N/A							https://www.oregon.gov/dor/pages/sales-tax.aspx					
Pennsylvania	3/1/2018	Taxable sales of \$10,000 or more in previous calendar year	Previous calendar year	Y	Y			http://www.revenue.pa.gov/GeneralAndInformation/Forms%20and%20Information/SUT-Market-Place-Sales/Remote-Sellers.aspx				X	
Puerto Rico	7/1/2019	More than \$100,000 in gross sales in the previous twelve months.											
Rhode Island	8/1/2017 - 6/30/2019 for option to collect/remittance notice/report; 7/1/2019 collect/remittance	Gross revenues of \$100,000 or more or 200 or more separate transactions	Previous calendar year	Y	Y			http://webserver.cril.state.ri.us/sr105/8111text/8111text19/HouseText19/H5278A.pdf			X		INV
South Carolina	11/1/2018	Gross revenue from sales exceeds \$100,000	Previous or current calendar year	Y	Y								
South Dakota	11/1/2018	Gross sales exceeding \$100,000 or 200 or more separate transactions	Previous calendar year or current calendar year	Y - 3/1/2019	Y			https://dcr.sd.gov/taxes/business-taxes/remoteseller.aspx			X		INV
Tennessee	10/1/2019	\$500,000 in sales	Previous 12 months		Y			https://www.tn.gov/content/dam/tn/revenue/documents/notices/sales/sales18-11.pdf https://www.tn.gov/attorneygeneral/news/2018/6/21/pr18-14.html					
Texas				Y	N			https://comptroller.texas.gov/taxes/remote-sellers.php					

SLI 8013A08

Virginia	7/1/2019	More than \$100,000 in gross revenue or 200 or more transactions	Previous or current calendar year	Y 7/1/2019								
Washington	1. 1/1/2018 2. 1/1/2020	1. Gross retail sales of \$100,000 until 1/1/2020 2. \$100,000 of cumulative gross receipts in Washington with respect to Washington's retail sales tax and all business and occupation taxes 3. Effective March 14, 2019, sellers that have 200 or more transactions but do not exceed the \$100,000 retail sales are not required to collect and report sales tax to Washington.	Current or preceding year	Y	Y					X		
West Virginia	1/1/2019	Delivers more than \$100,000 of goods or services into West Virginia or engages in 200 or more separate transactions for the delivery of goods and services into West Virginia, during calendar year 2018	Annually	Y 7/1/2019	Y					X		
Wisconsin	10/1/2018	Gross sales exceed \$100,000 or 200 or more separate transactions in the previous or current year	Previous and current year is based on the remote seller's taxable year for federal income tax purposes.	Y	Y					X		INV
Wyoming	2/1/2019	\$100,000 in sales or 200 sales transactions	Annually	Y 7/1/2019	Y					X		

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: 2/12/2019

Name of State or Person(s) submitting request:

Contact Person: Christie Comanita

Address:

Phone: 480-653-7113 **Email:** Christie.comanita@sstgb.org

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

Sec. 308.C Uniform Tax Returns – Simplified electronic return

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

Expansion of SER to allow other taxes to be reported on the SER

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.)

During the planning meeting in January 2019, CSP representatives commented on the benefits of the SER. They indicated that many states have taxes that may be required to be reported and paid sellers using the SER to report and pay sales tax. Without being able to use the SER to report these taxes, sellers are required to file a separate return. CSP's asked whether states would be willing to expand the SER to allow these taxes to be reported on the SER.

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.)

Expand the SER to other taxes. The reporting and remitting of taxes other than sales tax would only include a code with an amount. No calculation of nonsales taxes due would be included in the form.

Submit completed form to:

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

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

For SST Governing Board Use

Approved by: **Date:**

Approved with Modifications (If the Governing Board determines the request will be addressed by SLAC but in a modified format, explain the modifications to the request here):

Denied by: **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.)

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: 2/12/2019

Name of State or Person(s) submitting request: [Click here to Enter name\(s\).](#)

Contact Person: [Click here to enter Contact Person's name.](#)

Address: [Click here to enter Address \(Street or PO Box, City, State, Zipcode\)](#)

Phone: [Click here to enter number.](#) Email: [Click here to enter Email.](#)

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.)

Sec 401.D Seller participation

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

Can/should a state be able to use a seller's registration through SST to give notification to sellers of possible other tax responsibility

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.)

The agreement prohibits a member state from using SST registration as a factor in determining whether the seller has nexus with that state for any tax at any time. Some states believe it is to the seller's benefit for a state to reach out to a seller to inform them or put them on notice that they may or do have responsibility or liability for other types of taxes imposed by a state. For example, a seller transacting business in Washington may owe B&O tax in addition to sales tax. If a seller does not know about the B&O tax, states believe it benefits the seller to be informed sooner rather than later of this tax liability.

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.)

[Click here to enter text.](#)

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

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State and Local Advisory Council Request and Assignment Form

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Date: 2/12/2019

Name of State or Person(s) submitting request: [Click here to Enter name\(s\).](#)

Contact Person: [Click here to enter Contact Person's name.](#)

Address: [Click here to enter Address \(Street or PO Box, City, State, Zipcode\)](#)

Phone: [Click here to enter number.](#) Email: [Click here to enter Email.](#)

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.)

[Click here to enter text.](#)

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

Are states capable of accepting multiple returns from a single seller for a single reporting period. Do states want to allow registrations by location; single FEIN with multiple SSTID's?

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.)

Some sellers may only use a CSP for reporting remote sales and use another means to report other sales, including self reporting. Other sellers may use more than one CSP for reporting different segments of their business. Some states may be able to accept these multiple returns, others handle them through a manual process.

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.)

[Click here to enter text.](#)

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

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DRAFT DOCUMENT FOR DISCUSSION PURPOSES ONLY

(NOTE: This will not be considered for a vote at the October Governing Board Meeting)

Draft Language for Consideration Relating to Section 401.D:

D. A member state or a state that has withdrawn or been expelled shall not use registration with the central registration system and the collection of sales and use taxes in the member states as a-the sole factor in determining whether the seller has nexus with that state for any tax at any time.

DRAFT

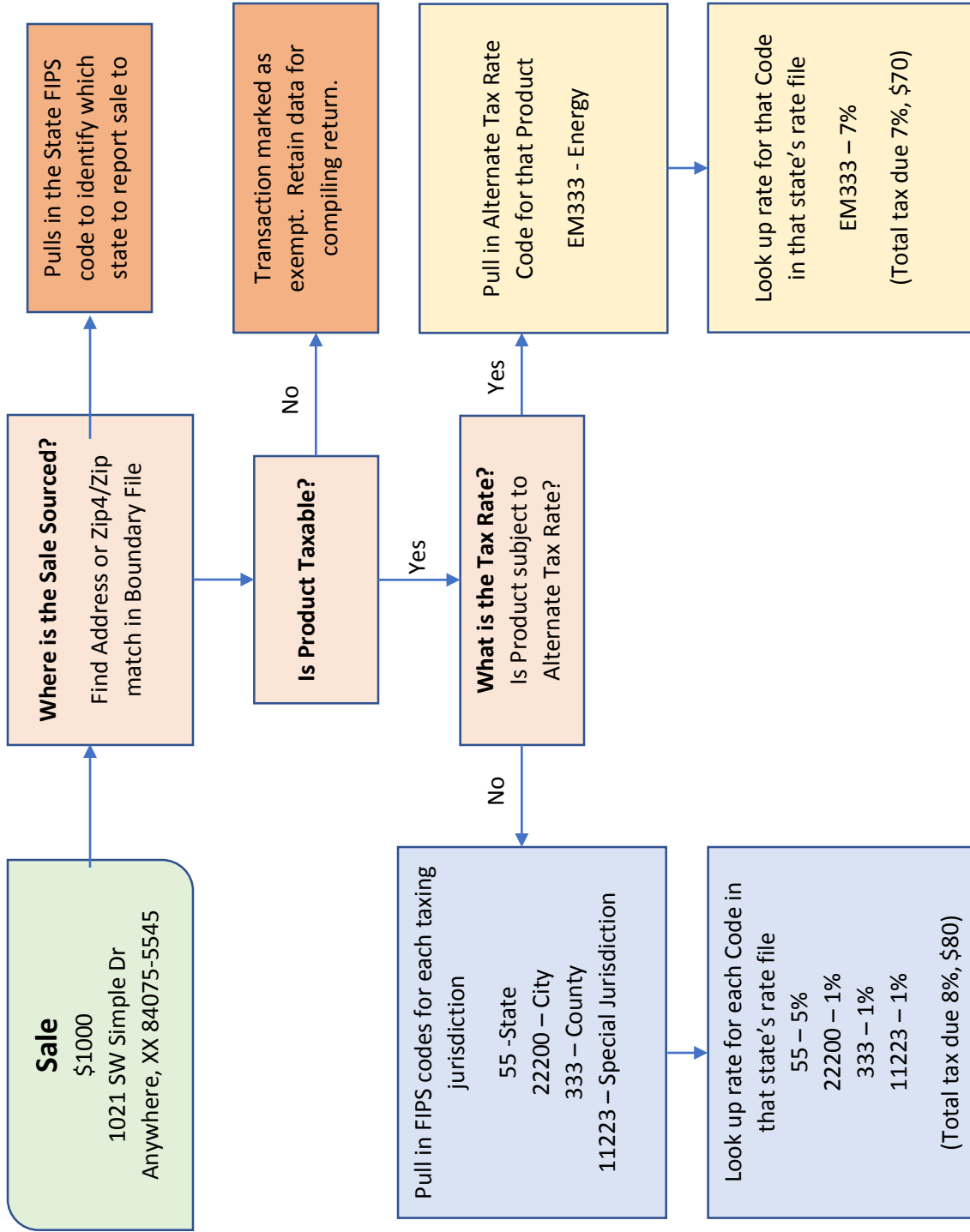
Alternate Rate/Boundary and Reporting Suggestion

Boundary File

A	B	C	D	E	F	G	H	I	O	P	Q	R	S	T	U
Record Type	Beginning Effective Date	Ending Effective Date	Low Address Range	High Address Range	Odd / Even Range Indicator	Street Directional Abbr.	Street Name	Street Suffix Abbr	City Name	Zip Code	Plus 4	Zip Code Low	Zip Extension Low	Zip Code High	Zip Extension High
A	20100101	29991231	1000	2000	O	SW	Simple	DR	Anywhere	84075	5545				
A	20100101	29991231	550	550	E	S	Form		Anywhere	84075	0550				
4	20100101	29991231										84075	5545	84075	5545
4	20100101	29991231										84075	0550	84075	0550
Z	20100101	29991231										84075		84075	

V	W	X	Y	Z	AA	AD	AE	AF	AG:CK	CL-CW	CX
Composite SER code	FIPS State	FIPS State Indicator	FIPS County Code	FIPS Place Code	FIPS Place Class Code	Special Tax District Code Source (#1)	Special Tax District Code (#1)	Type of Taxing Authority Code (#1)	...	Alternate rates	Energy
	55	55	333	22200		ST	11223	49			EM333
	55	55	333								EM334
	55	55	333	22200		ST	11223	49			EM333
	55	55	333								EM334
	55	55	333								EM334

Alternate Rate/Boundary and Reporting Suggestion



Alternate Rate/Boundary and Reporting Suggestion

SER

Regular Rates Only		
Total Sales		\$1000
Exemptions		0
Taxable Sales		1000
State Tax Due In State		50
State Tax Due Orig OOS		0
State Tax Due Food Drug		0
Jurisdiction Detail		
22200		10
333		10
11223		10
Total Tax Due		80

Alternate Rate Only		
Total Sales		\$1000
Exemptions		1000
Taxable Sales		0
State Tax Due In State		0
State Tax Due Orig OOS		0
State Tax Due Food Drug		0
Jurisdiction Detail		
EM333		70
Total Tax Due		70

State Process

Regular Rates – apply tax to jurisdictions based on jurisdiction code used for reporting

Alternate Rate – distribute tax to each jurisdiction included in that code.

EM333: State tax \$50; 22200 (city) \$10; 11223 (Special Jurisdiction) \$10; no county (333)-product exempt from county tax.

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: 5/2/19

Name of State or Person(s) submitting request: Joe Rinzel, Pumps for Parity Coalition

Contact Person: Joe Rinzel

Address: 513 King Street, Ste 300, Alexandria VA 22214

Phone: 703 684 1110 Email: jrinzel@multistate.us

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 104: Defined Terms; Section 209: Product-Based Exemption; Section 316: Enactment of Exemptions; Appendix B: Index of Definitions; and Appendix C: Library of Definitions

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

Should the SSUTA adopt a product-based definition of breast pumps, breast pump supplies, breast pump kits, and repair services that can be used where desired by members states?

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.)

Under current law, sales of breast pumps, breast pump supplies, breast pump kits, and repair services are subject to the sales and use tax in many states. Several states do exempt these products, however, with recent exemptions adopted in New Jersey and being considered presently in Connecticut and Pennsylvania. There is little uniformity currently with regard to these exemptions. Some are product-based exemptions, some are use-based, some are incorporated as part of a broader category (e.g., DME), and some are a combination (e.g., exempt as DME when provided pursuant to a prescription).

A new coalition - Parity for Pumps - has formed to advocate for a product-based exemption in all sales tax states. To facilitate uniformity and compliance, it may be advisable for the SSUTA to adopt a product-based definition of breast pumps, breast pump supplies, breast pump kits, and repair services that can be used where desired by members states.

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.)

The proposed outcome is a product-based definition of breast pumps, breast pump supplies, breast pump kits, and repair services that is recommended to the Governing Board for adoption and inclusion in the SSUTA Appendices B (Index of Definitions) and C (Library of Definitions).

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.)

Model Breast Pump Sales Tax Exemption Legislation

Draft Date: July 12, 2019

An Act providing an exemption from the sales and use tax for sales of breast pumps, breast pump collection and storage supplies, breast pump kits, breast pump parts, and certain services to maintain and repair breast pumps.

Breast pumps, breast pump collection and storage supplies, breast pump kits, breast pump parts, and certain services to maintain and repair breast pumps are basic necessities that should be exempt from sales and use tax — just as infant formula is not subject to tax currently — even if they do not fall within the overly rigid definition of durable medical equipment.

These pumps and supplies are used to express and collect breast milk for a variety of reasons, including: when infants are premature and unable to latch, when infants have severe feeding problems, when mothers have difficulty establishing or maintaining an adequate milk supply, when mothers have temporary breastfeeding problems, and when mothers and infants are separated for prolonged periods due to hospitalization. The pumps and supplies also empower an increasing number of mothers to continue to feed breast milk to newborns for longer periods when they return to work following the birth of their infants.

Be It Enacted...

1. Receipts from sales of a breast pump, repair and replacement parts therefor, a breast pump kit, and breast pump collection and storage supplies are exempt from [cite sales and use tax or equivalent].
2. Receipts from charges for installing repair and replacement parts in, maintaining, servicing, or repairing a breast pump that is exempt from tax pursuant to paragraph 1. of this section are exempt from [cite sales and use tax or equivalent].

Definitions — For the purposes of this section:

1. “Breast pump” means an electrically or manually controlled pump device used to express milk from a human breast during lactation. “Breast pump” includes the electrically or manually controlled pump device and any battery, AC adapter, or other

Model Breast Pump Sales Tax Exemption Legislation

Draft Date: July 12, 2019

power supply unit packaged and sold with the pump device at the time of sale to power the pump device.

2. “Breast pump collection and storage supplies” means items of tangible personal property used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption. “Breast pump collection and storage supplies” includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk storage bags; and related items sold as part of a breast pump kit.
3. “Breast pump kit” means a set that contains one or more of the following items: a breast pump; breast pump collection and storage supplies; and other taxable items of tangible personal property that may be useful to initiate, support, or sustain breast-feeding using a breast pump during lactation, so long as the other taxable items of tangible personal property sold with the breast pump kit at the time of sale are less than 50% of the total sales price of the breast pump kit.

DRAFT

Rule 401.2. REGISTRATION. CONTACTING SELLERS REGARDING OTHER TAXES

- A. The Streamlined Sales Tax Governing Board may assist in the education of sellers registered through the Streamlined Sales Tax Registration System (SSTRS) by providing information about other taxes sellers may be subject to in the member states.
- B. A member state may use the data a seller reported on the sales and use tax returns filed with that state as a basis for contacting and educating the seller about other possible taxes the seller may be subject to in that state.
- C. If a member state contacts a seller about other possible taxes they may be subject to based on the information reported on the sales and use tax returns filed with the state, the state will work with the seller to determine if those taxes are due and owing prior to issuing a notice of amount due or similar type of notice. However, if the seller fails to respond in a timely manner to the state's inquiry, the state may make its determination, which may include an assessment based on the information it has available, including the information reported on the sales and use tax returns filed with the state.

(Note: The purpose of this rule is to clarify that sellers that register through the SSTRS may be provided information about other taxes in the member states and that once the seller actually files a return with a state, that state may use the data on the return as a basis for contacting the seller to make them aware of other possible taxes that may be owed in their state. However, states should not just automatically presume the seller owes the other taxes, but instead work with the seller to make that determination.)

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: 8/21/2019

Name of State or Person(s) submitting request: Christie Comanita/Craig Johnson

Contact Person: [Click here to enter Contact Person's name.](#)

Address: [Click here to enter Address \(Street or PO Box, City, State, Zipcode\)](#)

Phone: [Click here to enter number.](#) **Email:** [Click here to enter Email.](#)

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.)

None currently

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

Marketplace facilitator laws implementation issues

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.)

This is a new issue. Many states, including SST member states have enacted laws requiring marketplace facilitators to collect and remit sales tax on behalf of remote sellers selling on their marketplace. The laws are not uniform. The NCSL is currently working with RILA on possible model legislation for states to consider in the 2020 legislative sessions. The model legislation is aimed at making the laws more uniform. MTC also has a workgroup that is identifying and developing responses related to Wayfair implementation and marketplace facilitator issues.

These issues also affect our member states, some of the SSUTA requirements (i.e., only requiring a single return per reporting period), as well as our certified service providers.

Therefore, a SLAC workgroup is needed to develop ideas and identify concerns or questions with the proposal from the perspective of the Streamlined states and the SSUTA requirements.

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.)

Administrative Tax Practice addressing how SST states apply their marketplace facilitator laws and consolidated responses to the NCSL/RILA draft model legislation and MTC recommendations.

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.)

State	Are breast pumps taxable?	Does state have existing language addressing breast pumps?	If state has language, what is nature of existing language?	Statutory/Regulatory Language Related to Breast Pumps	Model language impact
Arkansas	Yes	No	n/a	(1) Purpose. This Rule sets forth the application of sales and use tax to certain drugs, durable medical equipment, prosthetic devices, and other medical items. (2) Definitions. For the purposes of this Rule, the following definitions and explanations of terms shall apply:...	No current language to impact
Georgia	Yes	Yes	Durable Medical Equipment (DME), including breast pumps, is tax exempt when sold or used if the individual has a prescription.	(b) Durable medical equipment means equipment, including repair and replacement parts for the same, that: i. Can withstand repeated use; ii. Is primarily and customarily used to serve a medical purpose; iii. Generally is not useful to a person in the absence of illness or injury; iv. Is not worn in or on the body; and v. Is not "mobility enhancing equipment." 2. Examples of durable medical equipment include but are not limited to: i. Hospital beds, mattresses, and bedding-related attachments; ii. Drug infusion equipment (non-implanted), nebulizers, vaporizers, oxygen concentrators, infant apnea monitors, and ventilators; iii. Sitz bath chairs, bed pans, urinals; iv. Heat lamps, heat pads, and hot water bottles; and v. Blood glucose monitors, electronic nerve stimulators (non-implanted), breast pumps, and insulin infusion pumps (non-implanted). Ga. Comp. R. & Regs. § 560-12-2-.30 The sales and use taxes levied or imposed by this article shall not apply to:...(54) The sale or use of any durable medical equipment that is sold or used pursuant to a prescription or prosthetic device that is sold or used pursuant to a prescription Ga. Code Ann. § 48-8-3.	Would provide an exemption without a prescription
Indiana	Yes	No	n/a	"Medical equipment and supplies." The scope of the term "medical equipment and supplies" is broader than the terms "prescription drugs" or "medical devices." While all exempt prescription drugs are medical supplies and all exempt medical devices are medical equipment, not all medical equipment and supplies are exempt medical devices or prescription drugs. The following is a nonexclusive list of items which are medical equipment or supplies, but are not prescription drugs or medical devices exempt from tax under subrules 231.6(1), 231.8(1), and 231.8(2) and rule 701—231.7(423). Sales of the following items are generally taxable..Breast pumps Iowa Admin. Code § 701-231.8(43)(g)	No current language to impact
Iowa	Yes	Yes	Breast pumps are explicitly stated as items that are "generally taxable"		Provides definition and a tax exemption
Kansas	Yes	No	n/a	(9) An electric breast pump shall be covered for the following:	No current language to impact
Kentucky	Yes	Yes	Breast pumps are covered under Medicaid under certain circumstances that make breast feeding difficult or impossible.	(a) Medical separation of mother and infant; (b) Inability of an infant to nurse normally due to a significant feeding problem; or (c) An illness or injury that interferes with effective breast feeding. 907 Ky. Admin Code 1:479	Would not impact breast pump coverage under Medicaid
Michigan	Yes	No	n/a		No current language to impact
Minnesota	No	Yes	Breast pumps and other baby products are tax exempt	The gross receipts from the sale and purchase of, and storage, distribution, use, or consumption of the items contained in this section are specifically exempted from the taxes imposed by this chapter... Baby products. Breast pumps, baby bottles and nipples, pacifiers, teething rings, and infant syringes are exempt. Minn. Stat. Ann. § 297A.67	No current language to impact No substantive change

Nebraska	Yes	Yes	Breast pump rentals are covered under state medical assistance programs under certain circumstances	Breast Pumps - Covered for clients who are breast feeding if one of the conditions listed below for short term or long term rental are met. Hospital grade breast pumps are covered only on a rental basis. SHORT TERM RENTAL (up to 2 months) 1. Infant/neonate with abnormal weight loss 2. Hyperbilirubinemia 3. Inadequate milk supply 4. Mastitis 5. Acutely ill infant 6. Infant food allergy (to maintain milk supply for a limited period until off the offending foods) 7. Medical condition of mother that precludes feeding infant at breast (examples include, but not limited to: mom on radioactive compound or other medication short term) 8. Maternal post-partum complications (examples but not limited to: excessive fluids during delivery, maternal blood loss, D&C) LONG TERM RENTAL (up to 6 months, with one additional 6 month period if medically necessary) 1. Congenital abnormality of the infant (examples, but not limited to: cleft lip/palate, Down syndrome, other syndrome with poor suck/swallow, abnormal anatomy, congenital heart disease) 2. Neurologic abnormality of the infant (examples, but not limited to: low tone, poor suck/swallow reflex) 3. Prematurity (less than 37 weeks gestation) 4. Latch difficulties Supplies/Accessories: During rental of a breast pump, supplies and accessories necessary for proper functioning and effective use of the pump are included in the rental allowance. For the purchase of a pump, the allowance includes supplies and accessories needed for one month. Accessories and supplies are payable only as a replacement for use with client-owned pumps for clients whose condition meets the criteria for coverage of the pump. 471 NE ADC § 7-013	Would not impact breast pump rental coverage under state medical assistance programs
Nevada	Yes	No	n/a	n/a	No current language to impact
New Jersey	No	Yes	Breast pumps are explicitly tax exempt	a. Receipts from sales of a breast pump, repair and replacement parts therefor, and breast pump collection and storage supplies to an individual purchaser for home use are exempt from the tax imposed under the "Sales and Use Tax Act," P.L. 1966, c. 30 (C.54:32B-1 et seq.). b. Receipts from charges for installing repair and replacement parts in, maintaining, servicing, or repairing a breast pump that is exempt from tax pursuant to subsection a. of this section are exempt from the tax imposed under the "Sales and Use Tax Act," P.L. 1966, c. 30 (C.54:32B-1 et seq.). c. Receipts from sales of a breast pump kit to an individual purchaser for home use are exempt from the tax imposed under the "Sales and Use Tax Act," P.L. 1966, c. 30 (C.54:32B-1 et seq.), if the breast pump kit is comprised entirely of a breast pump and breast pump collection and storage supplies, or is comprised entirely of breast pump collection and storage supplies, that are exempt from tax pursuant to subsection a. of this section. If the breast pump kit is comprised of a breast pump, breast pump collection and storage supplies, and other taxable items of tangible personal property, or is comprised of breast pump collection and storage supplies and other taxable items of tangible personal property, the receipts from the sale of the breast pump kit are subject to tax unless the sales price of the other taxable items of tangible personal property packaged and sold with the breast pump kit at the time of sale is 10% or less of the total sales price of the breast pump kit. d. For purposes of this section: "Breast pump" means an electrically or manually controlled pump device used to express milk from a human breast during lactation. "Breast pump" includes the electrically or manually controlled pump device and any AC adapter or other external power supply unit packaged and sold with the pump device at the time of sale to power the pump device. "Breast pump collection and storage supplies" means items of tangible personal property used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption. "Breast pump collection and storage supplies" include, but are not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk storage bags; and related items sold as part of a breast pump kit pre-packaged by the breast pump manufacturer. "Breast pump collection and storage supplies" does not include: bottles and bottle caps not specific to the operation of the breast pump; breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products, unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; breast pump cleaning supplies, unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; nursing bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples. "Breast pump kit" means a pre-packaged set that contains one or more of the following items: a breast pump; breast pump collection and storage supplies; and other taxable items of tangible personal property that may be useful to initiate, support, or sustain breast-feeding using a breast pump during lactation. N.J. Stat. Ann. § 54:32B-8.63	No current language to impact No substantive change
North Carolina	Yes	No	n/a	n/a	No current language to impact
North Dakota	Yes	No	n/a	n/a	No current language to impact
Ohio	Yes	No	n/a	n/a	No current language to impact
Oklahoma	No	Yes	Breast pumps are explicitly tax exempt	(a) General provisions. Sales of medical appliances, medical devices and other medical equipment are exempt if all of the following requirements are met: (g) Other examples. The following nonexclusive list contains other examples of medical appliances, medical devices, and medical equipment that qualify for the exemption described herein...;(38) Breast pumps. Okla. Admin. Code § 710:65-13-173	No current language to impact No substantive change

Rhode Island	Yes	Yes	Breast pumps are covered under the WIC program	(2) The cost of dietary assessments for the purpose of certification and the cost of prescribing and issuing supplemental foods shall not be applied to the one-sixth minimum amount required to be spent on nutrition education. Costs to be applied to the one-sixth minimum amount required to be spent on nutrition education may include, but need not be limited to:...(d) The cost of breastfeeding promotion and support, education and encouragement is an allowable nutrition education cost. Breastfeeding costs include the above categories and specific breastfeeding aids such as breast pumps, nursing bras, and nursing pads, which directly support the initiation and continuation of breastfeeding, and salary and benefits expenses of peer counselors to assist women to continue with an initial decision to breastfeed. 216-RICR-20-05-3.9 & R.I. Admin. Code § 31-1-40.3.10	Will not impact claims submitted to the Department of Social Services	Breast pump coverage under WIC not impacted
South Dakota	Yes	Yes	Claims may be submitted for breast pumps for individuals receiving medical services from the state Department of Social Services if they have a prescription	Claims for medical equipment must be submitted at the provider's usual and customary charge. If it is the provider's custom to charge the general public for handling, delivery, and taxes, those charges may be included in the provider's usual and customary charge. A claim may not be submitted for covered medical equipment until the certificate of medical necessity is properly completed and in the recipient's record. A copy of the physician's written prescription, the invoice showing the purchase price of the equipment, the certificate of medical necessity, and other documentation required does not need to be submitted with the claim unless required; however, it must be maintained by the provider in the recipient's record and made available on request. Covered equipment must be billed using the applicable procedure code contained in Health Care Common Procedure Coding System (HCPCS). A claim for a breast pump must be submitted using the child's recipient identification number. A provider may not submit claims that do not meet the criteria contained in this chapter. ARSD 67:16:29:09	Will not impact claims submitted to the Department of Social Services	
Tennessee	Yes	No	n/a	n/a	No current language to impact	
Utah	Yes	No	n/a	n/a	No current language to impact	
Vermont	Yes	No	n/a	n/a	No current language to impact	
Washington	Yes	Yes	Until 1/1/21 health plans or student health plans will cover breast pumps for covered individuals expecting the birth or adoption of a child. Pharmacies may issue breast pumps to licensed midwives.	A health plan or student health plan, including student health plans deemed by the insurance commissioner to have a short-term limited purpose or duration or to be guaranteed renewable while the covered person is enrolled as a regular full-time undergraduate or graduate student at an accredited higher education institution, shall provide coverage for:...(f) The following reproductive health-related over-the-counter drugs and products approved by the federal food and drug administration: Prenatal vitamins for pregnant persons; and breast pumps for covered persons expecting the birth or adoption of a child. Wash. Code Ann. §48.43.072 (effective until January 1, 2021) Licensed midwives may purchase and use legend drugs and devices as follows...Pharmacies may issue breast pumps, compression stockings and belts, maternity belts, diaphragms and cervical caps, ordered by licensed midwives. Wash. Admin. Code § 246-834-250	No impact for health plans or student health plans or the purchases. Midwives purchases of breast pumps will become tax exempt	
West Virginia	Yes	Yes	Breast pumps are explicitly taxable	Examples of Durable Medical Equipment that are not covered expenses:...breast pump W. Va. Code St. R. § 151-1 Attachment A	Would provide an exemption	
Wisconsin	Yes	No	n/a	n/a	No current language to impact	
Wyoming	Yes	No	n/a	n/a	No current language to impact	

SECTION 401.D PROVISION

State	Statute/Rule/Other	Citation
Arkansas	Statute	A.C.A. 26-21-104
Georgia	Other - Information bulletin	2010
Indiana	Statute	IC 6-2.5-11-7
Iowa	Statute	Iowa Code §§ 423.11(5) , 423.48(2)(b)
Kansas	Statute	K.S.A. § 79-3679(d)
Kentucky	Statute	KRS 139.789(5)
Michigan	Statute	mcl 205.819(6)
Minnesota		Minn. Stat. 297A.995, Subd. 6 (e)
Nebraska	Statute	N.S.R. 77-2712.05(5)
Nevada	Statute	NRS 360B.200
New Jersey	Statute	N.J.S.A. 54:32B-28.1(g)
North Carolina	Statute	G.S. 105-164.42E(5)
North Dakota	Statute	NDCC 57-39.2-14(1)
Ohio	Statute/Administrative rule	R.C. 5703.65/O.A.C. 5703-9-(A)(2)
Oklahoma	Administrative rule	Rule 710:65-9-9
Rhode Island	Statute	44-18.1-32(d)
South Dakota	Statute	SDCL 10-45-109
Tennessee	Statute	T.C.A. 67-6-608 (c)
Utah	Statute	59-12-107(2)(e)
Vermont	Rule	Reg. 1.9707(1)-1 (F)
Washington	Statute	RCW 82.32.530
West Virginia	Statute	W.Va. Code § 11-15B-12(b).
Wisconsin	Statute	77.65(4)(g) and 77.53(9m)(c)
Wyoming	Statute	39-15-405(a)(v)

An amendment by _____ to adopt the definitions of “breast pump,” breast pump collection and supplies” and “breast pump kit” in Part II of the Library of Definitions.

“**Breast pump**” means an electrically or manually controlled pump device used to express milk from a human breast during lactation. “Breast pump” includes the electrically or manually controlled pump device and any battery, AC adapter, or other power supply unit packaged and sold with the pump device at the time of sale to power the pump device.

“**Breast pump collection and storage supplies**” means items of tangible personal property used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption. “Breast pump collection and storage supplies” includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk storage bags; and ~~other related~~ items that may be sold separately but are generally sold as part of a breast pump kit.

“Breast pump collection and storage supplies” does not include: bottles and bottle caps not specific to the operation of the breast pump; breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products, unless sold as part of a breast pump kit pre-packed by the breast pump manufacturer; breast pump cleaning supplies, unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; nursing bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples.

“**Breast pump kit**” means a ~~kitset~~ that contains a breast pump and -one or more of the following items: ~~a breast pump~~; breast pump collection and storage supplies; and other taxable items of tangible personal property that may be useful to initiate, support, or sustain breast-feeding using a breast pump during lactation, so long as the other taxable items of tangible personal property sold with the breast pump kit at the time of sale are less than 50% of the total sales price of the breast pump kit.

A member state may limit its exemption to “breast pumps,” “breast pump kits” and/or “breast pump collection and storage supplies” and may further limit the exemption:

- A. By requiring a prescription;
- B. Based on Medicare or Medicaid payments or reimbursement; or
- C. For home use.

A member state may choose to include “breast pumps” and/or “breast pump kits” in its

An amendment by _____ to adopt the definitions of “breast pump,” breast pump collection and supplies” and “breast pump kit” in Part II of the Library of Definitions.

definition of “durable medical equipment” and treat these items in the same manner it treats other durable medical equipment.

A member state may limit the exemption using any combination of the above but in no case shall an exemption certificate be required.

A member state may choose to include or exclude repair and replacement parts for “breast pumps” and/or “breast pump kits” in its definition. Repair and replacement parts includes all components or attachments used in conjunction with the “breast pump” and/or “breast pump kit” and a member state may exclude from repair and replacement parts items which are for single patient use only.

A	B	C	D	E	F	G	H	I	J
State	Effective Date of Marketplace Facilitator Law	Threshold	Basis of Threshold	Is the Marketplace facilitator required to collect and remit on behalf of all marketplace sellers?	Joint and several liability for marketplace seller and marketplace facilitator? Liability relief?	Are Marketplace facilitator sales included in Marketplace Seller's Threshold calculation?	Is a seller who only sells through a marketplace required to register and file a return if the marketplace is required to collect and remit?	Link to State Statute if release is not out	StateMarketplace Facilitator Information Release
1									
2	Alabama								
3	Alaska								
4	Arizona	10/1/2019	Gross proceeds of sales or gross income from the business	Y		N	N		https://taxform.transaction-privilege-tax/retail-sales-subject-tax/out-state-sellers
5	Arkansas								
6	California								
7	Colorado								
8	Connecticut	\$250,000 during prior 12 month period							https://portal.ct.gov/-/media/DPS/Publications/OCG/OCG-8.pdf?fa=en
9	Delaware								
10	District of Columbia								
11	Florida								
12	Georgia	N/A							
13	Hawaii								
14	Idaho								
15	Illinois								
16	Indiana	7/1/2019							
17	Iowa	7/1/2019	A marketplace facilitator that makes or facilitates Iowa sales on its own behalf or for one or more marketplace sellers equal to or exceeding one hundred thousand dollars for an immediately preceding calendar year or a current calendar year.	Y	https://www.legis.iowa.gov/docs/code/423.14A.pdf	Y	N	https://www.legis.iowa.gov/docs/code/423.14A.pdf	https://tax.iowa.gov/marketplace-facilitators
18	Kansas	N/A							
19	Kentucky	7/1/2019	Greater than \$100,000 in gross sales or 200 or more sales transactions into KY in the previous or current calendar year	Y	The marketplace facilitator is protected from class action lawsuits related to the overpayment of tax collected by the facilitator. The marketplace seller is relieved from liability on sales transactions a marketplace provider facilitates on its behalf if the marketplace provider is registered and collecting KY sales and use tax.	Y			
20	Louisiana								
21	Maine								
22	Maryland								
23	Massachusetts								
24	Michigan	N/A							

A State	B Effective Date of Marketplace Facilitator Law	C Threshold	D Basis of Threshold	E Is the Marketplace facilitator required to collect and remit on behalf of all marketplace sellers?	F Joint and several liability for marketplace seller and marketplace facilitator? Liability relief?	G Are Marketplace sellers included in Marketplace Seller's Threshold calculation?	H Is a seller who only sells through a marketplace required to register and file a return if the marketplace is required to collect and remit?	I Link to State Statute if release is not out	J StateMarketplace Facilitator Information Release
1 Ohio	8/1/2019	At least \$100,000 or 200 transactions in the current calendar year or previous calendar year.	Gross receipts - taxable and nontaxable sales combined.	Y		Y - Marketplace sellers will include all of their sales on Line 1, "Gross sales" of the UST1 and then include the sales that were made on the marketplace, on which tax was collected by the facilitator, on Line 2, "Exempt sales" (in addition to true exempt sales), if any.	No. If all the marketplace seller's sales are exclusively made through a marketplace facilitator, there is no need for the seller to have an Ohio tax. The marketplace facilitator will collect and remit all tax on behalf of its sellers.	Ohio Revised Code Chapter 5741.01(I) https://www.tax.ohio.gov/sales_and_use/MarketplaceFacilitators.aspx	
37 Oklahoma	7/1/2018	\$10,000.00 during the immediately preceding twelve-calendar-month period	Taxable sales	Y	A marketplace facilitator or a referer is relieved of liability if the marketplace facilitator or the referer can show to the satisfaction of the Commission that the failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator or the referer by a marketplace seller or remote seller.	N	N If all the marketplace seller's sales are through and paid by the marketplace facilitator then no they are not required to register.	68 O.S. Section 1396 https://www.ok.gov/tax/documents/News_Rls_083118.pdf https://www.ok.gov/tax/documents/WAYFAIR%20DECISION%20AND%20HB%201019X_083018.pdf https://www.ok.gov/tax/Businesses/Streamlined_Sales_Tax/Oklahoma_Remote_Seller_Law.html	
38 Oregon									
39 Pennsylvania	N/A								
40 Rhode Island									
41 Rhode Island									
42 South Carolina									
43 South Dakota	3/1/2019	A marketplace provider must collect and pay sales tax on all sales it facilitates into SD if the marketplace provider: 1. Is a remote seller that exceeds \$100,000 in gross sales or 200 or more separate transactions into SD in the previous or current calendar year; or 2. Facilitates the sales of at least one marketplace seller that exceeds \$100,000 in gross sales or 200 or more separate transactions into SD in the previous or current calendar year; or 3. Facilitates the sales of two or more marketplace sellers that, when the sales are combined, exceeds \$100,000 in gross sales or 200 or more separate transactions into SD in the previous or current calendar year.	Gross sales	Y	Yes, both parties - Liability Relief SDCL 10-65-7	Y	Y	https://dor.sd.gov/Taxes/Business_Taxes/MarketplaceProvider.aspx#utes/Codified_Laws/DisplayStatute.aspx?Statute=10-65&Type=StatuteChapter	
44 Tennessee	N/A								
45 Texas	10/1/2019	\$500,000	Total Texas sales	Yes	Yes	No	No If the marketplace seller does not have a physical presence in the state and the seller received and accepted in good faith a certification that the marketplace provider will collect the sales and use tax. Yes if the marketplace provider seller has physical presence in the state. However, a remote seller whose only	https://comptroller.texas.gov/taxes/sales/remote-sellers.php https://statutes.capitol.texas.gov/Docs/TA/HTML/TA015297_001_.htm	
46 Utah									

A State	B Effective Date of Marketplace Facilitator Law	C Threshold	D Basis of Threshold	E Is the Marketplace facilitator required to collect and remit on behalf of all marketplace sellers?	F Joint and several liability for marketplace seller and marketplace facilitator? Liability relief?	G Are Marketplace facilitator sales included in Marketplace Seller's Threshold calculation?	H Is a seller who only sells through a marketplace required to register and file a return if the marketplace is required to collect and remit?	I Link to State Statute if release is not out	J State/Marketplace Facilitator Information Release
1 Vermont									
48 Virginia									
49 Washington	10/1/2018 1/1/2020 Pre-1/1/2020	\$100,000 in gross retail sales for retail sales tax collection \$100,000 in cumulative gross receipts for B&O tax \$285,000 receipts threshold (adjusted based on the consumer price index) as well as property and payroll thresholds for B&O purposes.	Gross retail sales for retail sales tax	Yes The definition of "marketplace facilitator" expressly excludes a person that provides travel agency services or operates a marketplace or that portion of a marketplace that enables consumers to purchase transient lodging accommodations in a hotel or other lodging facility or other transient lodging facility. This exclusion does not apply to a marketplace or that portion of a marketplace that facilitates the retail sale of transient lodging accommodations in homes, apartments, cabins, or other residential dwelling units.	Yes for both facilitator and seller - Liability relief is allowed for a marketplace facilitator that provides (monthly) its marketplace sellers with gross sales information for all Washington sales made on behalf of the marketplace seller. 1. For calendar year 2018, liability relief cannot exceed 10% of total tax due, and for 2019, liability relief cannot exceed 15% of total tax due. (i) The taxable retail sale was made through the marketplace facilitator's marketplace; (ii) The taxable retail sale was made solely as the agent of a marketplace seller, and the marketplace facilitator and marketplace seller are not affiliated persons; and (iii) The failure to collect sales tax was not due to an error in sourcing the sale under RCW 82.327-30. 2. If the facilitator fails to collect the correct amount of tax due to incorrect information given by an unaffiliated marketplace seller, the marketplace seller will be solely liable for the uncollected tax. There are no percentage limits on this liability relief. For the Marketplace Seller: RCW 82.08.0531(7). Liability relief is allowed for a marketplace seller when a marketplace facilitator's failure to collect the proper amount of tax is not due to incorrect information given by the marketplace seller to the facilitator. 3. If the marketplace seller obtains documentation from the facilitator indicating that the facilitator is registered with the department and will collect the sales and use tax due, and if For 2018 and 2019, the 5% or 10% liability relieved for the marketplace facilitator is also relieved for the marketplace seller.	Yes		https://dor.wa.gov/ind-taxes-rates/retail-sales-tax/marketplace-fairness-leveling-playing-field	
50 West Virginia									
51 Wisconsin	1/1/2020 For sales made prior to January 1, 2020, both the marketplace and third-party seller may be liable on taxable sales.	N/A A marketplace provider that is a remote seller and has no activities in Wisconsin other than making sales, and is not required to register and collect sales or use tax if it qualifies for the small seller exception in sec. 77.51(13gm). Wis. Stats. In determining if the marketplace qualifies for the small seller exception, the annual gross sales amount and number of transactions into Wisconsin made by the marketplace provider include sales into Wisconsin on its own behalf or on behalf of other sellers.	If a marketplace provider is a remote seller and has no activities in Wisconsin other than making sales, the economic nexus threshold is gross sales exceeding \$100,000 or 200 or more separate transactions in the previous or current year. The annual gross sales amount and number of transactions include sales into Wisconsin made by the marketplace provider on its own behalf or on behalf of other sellers.	Yes, unless the marketplace provider is granted a waiver by the department.	Yes - both Section 77.52(2), Wis. Stats., provides that only the marketplace provider may be audited and held liable for the tax on the sale. A marketplace seller shall not be subject to audit or held liable on marketplace provider transactions. Except relief is given to a marketplace provider (and the marketplace seller is liable) for the tax on the sale if the marketplace provider demonstrates to the satisfaction of the department that the error is due to insufficient or incorrect information given to the marketplace provider by the marketplace seller. This liability relief does not apply if the marketplace provider and the marketplace seller are related entities, as defined in sec. 71.01 (8am), Wis. Stats.	Yes	No	"Marketplace Providers" in Wisconsin Tax Bulletin #206.	
52 Wyoming									
53									

Florist sales survey	Arkansas	Georgia	Indiana	Iowa	Kansas	Kentucky	Michigan	Minnesota	Nebraska	Nevada	New Jersey	North Carolina	North Dakota	Ohio	Oklahoma	Rhode Island	South Dakota	Tennessee	Utah	Vermont	Washington	West Virginia	Wisconsin	Wyoming
1. Does your state treat the "accepting florist" as the seller and source the sale to the accepting florist's location?																								
Yes							X			X		X				X		X				X		
No		X																						
2. Does your state treat sales by online florists (i.e., 1800Flowers) the same as local florists using FTD (wire transfers)?																								
Yes		X					X			X		X						X				X		
No								X								X								
3. Has your state reviewed how Wayfair impacts its current treatment of florist sales? If yes, has there been any change in policy?																								
Yes																								
No		X					X			X		X				X		X				X		
4. Does your state source florist sales of other tangible personal property such as balloons, candy or fruit differently than florist sales of flowers?																								
Yes		X					X			X		X											X	
No								X																

Streamlined Sales Tax Exemption Certificate – State Survey January 2016	Arkansas	Georgia	Indiana	Iowa	Kansas	Kentucky	Michigan	Minnesota	Nebraska	Nevada	New Jersey	North Carolina	North Dakota	Ohio	Oklahoma	Rhode Island	South Dakota	Tennessee	Utah	Vermont	Washington	West Virginia	Wisconsin	Wyoming
1. Does your state require a purchaser to enter an ID number on the exemption certificate it provides to its vendors to claim an exemption from sales/use tax?	X	X (2a)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X (19a)	X	X	X	
Yes																								
No																								
2. If an ID number is required, is it required for every exemption or only certain ones?																								
Required for all exemptions																								
Only required for certain exemptions	X (1a)	X (2a)		X	X (4a)	X (5a)	X (6a)	X (7a)	X (8a)		X	X (11a)	X (12a)		X (13a)	(14a)	X	X (16a)	X (17)	X (18)	X (19b)	X	X (20a)	X (21)
3. If your state requires the use of an ID number, place an "x" next to each of the numbers below that are acceptable in your state:																								
A state-issued business number	X		X	X	X	X	X	X	X		X	X	X	X	X		X	X	X	X	X (UBI #)	X	X	X
A state-issued exemption number		X	X	X	X	X	X	X	X		X	X	X	X	X		X	X (TN)	X	X	X	N/A	X	X
A state-issued driver's license number		X	X	X	X	X	X	X	X		X	X	X	X	X		X	X	X	X	X	X	X	X
A United States federal ID number				X		X	X	X			X						X			X	X	X		
4. Do you allow the purchaser to use its SSTID in lieu of a state issued ID number?																								
SSTID Allowed	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X (20b)	X
SSTID Not Allowed					X																			
5. Does your state have any other special requirements to claim an exemption (e.g., provision of a manufacturer's or agricultural form or reseller's certificate)?	Note (1b)	Note (2b)	No	No		Note (5b)	None	Note (7a)	Note (8b)	Note (9a)	Note (11b)	Note (12b)			Note (13b)	Note (14b)	None	Note (16b)	None	N/A	Note (19c)		Note (20c)	N/A
6. Please provide any additional comments that you believe would be useful related to the use of exemption certificates and their requirements in your state.	Note (1c)	Note (2c)		Note (3)	Note (4b)			None	Note (8c)	Note (9b)	Note (10)	Note (11c)					Note (15)		None		Note (19c)			

Notes:

- 1.a. The Sale for Resale exemption requires an ID number.
 - 1.b. Arkansas Commercial Agriculture Machinery and Equipment Exemption Certificate
 - 1.c. As to Questions 3 and 4, when we receive an SST registration, we assign a sales tax permit number to that vendor. This is the number used on the exemption certificate.
 - 2.a. A sales and use tax number is required for certificate of exemptions presented by dealers making purchases for resale, manufacturers making qualifying purchases, and common carriers making qualifying purchases.
 - 2.b. The burden of proving that a sale is not a taxable sale is on the dealer unless the dealer accepts in good faith, from the purchaser, a certificate of exemption or letter of authorization stating that the sale is exempt from tax. O.C.G.A. § 48-8-38
- Agricultural sales tax exemptions require the designation of being a qualified agricultural producer, and issuance of a GATE card by the Georgia Department of Agriculture. O.C.G.A. § 48-8-3.3
- 2.c. Dealers must maintain records to support all purchases and sales for a period of no less than three years. O.C.G.A. § 48-8-53.
 3. Iowa prefers that a purchaser enter their Iowa sales tax permit number, if available. For more information about Iowa exemptions, see the Iowa Sales Tax Exemption form 31-014, available at tax.iowa.gov/form-types/sales-and-use-tax/certificate.
 - 4.a. The ID # is required when the exemption is being claimed by a tax-exempt entity (i.e., an organization that has been granted a sales tax exemption by Kansas legislative enactment). See K.S.A. 2014 Supp. 79-3692.
 - 4.b. K.S.A. 2018 Supp. 79-3692 requires that any entity or organization claiming an exemption from sales tax must apply and obtain from the Secretary of Revenue an exempt organization identification number. Once the identification number is received, the exempt entity must enter that state-issued identification number on any exemption certificate presented to any retailer when claiming the sales tax exemption on purchases.

5.a. An ID number is required for all exemptions except....."

- 51A143 - Purchase Exemption Certificate – Watercraft Industry
- 51A150 - Aircraft Exemption Certificate
- 51A154 - Certificate of Exemption Out of State Delivery for Aircraft, ATV Mobile Homes, Campers, Boats, Motors or Trailers.
- 51A227 - Certificate of Resale (for Schools)

5. b. There are some exemptions that require the purchaser to pre-qualify with Kentucky before claiming such as direct pay, pollution control, truck part direct pay and energy direct pay.

6.a. A number is only required for exempt purchases for lease or resale.

6.b. Revenue Administrative Bulletin 2016-14 provides guidance on sales and use tax exemption claims in Michigan.

7.a. Special requirements for:

SL19024

Streamlined Sales Tax Governing Board
State Survey on Exemption Certification Requirements

- a. Direct Pay authorization
- b. Motor Carrier Direct Pay application
- c. Sales tax exemption for nonprofit organizations
- d. Resource recovery facility exemption
- 7.b. Additional information is required when the reason for exemption is one of the following:
 - a. Federal government (department is requested)
 - b. Specific government exemption (exemption claimed must be noted)
 - c. Tribal government (name is required)
 - d. Foreign diplomat (number is required)
 - e. Capital Equipment exemption claimed for a construction project that would normally be considered an improvement to real property.
 - f. Other (enter number from back page)
 - g. Percentage exemption
- 8.a. An identification number is required except for sales to wholesalers, manufacturers, governmental entities, and certain use-based exemptions found in Nebraska Sales and Use Tax Regulation 1-012.
- 8.b. See Nebraska Sales and Use Tax Regulation 1-013.03B and 1-014.05B for the information required to be provided on resale and exempt sale certificates.
- 8.c. See Nebraska Sales and Use Tax Regulation 1-013 and 1-014.
- 9.a. Nevada Agricultural Exemption for Farm Equipment pursuant to NRS 372.281, Resale Certificate, Exemption Letter from the Department
- 9.b. Nevada has specific requirements regarding the exemptions provided to religious, charitable and exempt organizations which require a special approval process and the issue of Exemption Letter with a 5 year life.
- 10. For additional information on exemption certificates, please see S&U-6, Sales Tax Exemption Administration available at <https://www.state.nj.us/treasury/taxation/pdf/pubs/sales/su6.pdf>
- 11.a. NC ID number required for:
 - G.S. 105-164.13(4f) Commercial logging machinery
 - G.S. 105-164.13(5) Items for purpose of resale
 - G.S. 105-164.13(8) Sales of ingredient and component parts to a manufacturer
 - G.S. 105-164.13(9) Commercial fisherman exemption
 - G.S. 105-164.13(10) Certain sales to commercial laundries or to pressing and dry cleaning establishments
 - G.S. 105-164.13(23) Certain packaging items
 - G.S. 105-164.13(40) Sales to the Department of Transportation
 - G.S. 105-164.13(43b) Computer software or digital property that becomes a component part of other computer software or digital property that is offered for sale or of a service that is offered for sale
 - G.S. 105-164.13(52) Certain purchases by a State agency
 - G.S. 105-164.13(54)a. Telecommunications service that is a component part of or is integrated into a telecommunications service that is resold
 - G.S. 105-164.13(61b) Tangible personal property, digital property, and services purchased for resale under an exemption certificate in accordance with G.S. 105-164.28 or under a direct pay permit certificate in accordance with G.S. 105-164.27A
 - G.S. 105-164.13(62) An item used to maintain or repair tangible personal property or a motor vehicle pursuant to a service contract if the purchaser is not charged for the item
 - G.S. 105-164.13E Certain exemptions for items purchased by a qualifying farmer or conditional farmer
 - G.S. 105-164.27A(a) Direct Pay Permit Holders (General)
 - G.S. 105-164.27A.(a.1) Direct Pay Permit Holders (Direct Mail)
 - G.S. 105-164.27A(a.2) Direct Pay Permit Holders (Qualified Jet Engine)
 - G.S. 105-164.27A(a.3) Direct Pay Permit Holders (Boat and Aircraft Services)
 - G.S. 105-164.27A(b) Direct Pay Permit Holders (Telecommunications Service)
 - 11.b. G.S. 105-164.13(4f) Commercial logger exemption
 - G.S. 105-164.13(9) Commercial fisherman exemption
 - G.S. 105-164.13(33) TPP purchased solely for export to a foreign country for exclusive use or consumption in that or some other foreign country (Form E-599C)
 - G.S. 105-164.13(40) Sales to the Department of Transportation
 - G.S. 105-163.13(52) Certain purchases by a State Agency
 - G.S. 105-154.13E Certain exemptions for items purchased by a qualifying farmer or conditional farmer
 - G.S.1050164.27A(a). (a1), (a2) (a3) and (b) Direct Pay Permit Holders
- 11.c. For a complete list of the general exemptions and exclusions and any special provision for such, go to http://www.ncleg.gov/enactedlegislation/Stautes/PDF/ByArticle/Chapter_105/Article_5.pdf
- 12.a. North Dakota law provides an exemption for materials and equipment used in the construction of certain types new or expanding businesses. The qualifying business must apply for the exemption prior to making purchases. The Tax Commissioner's Office grants the exemption in a letter and the letter must be presented to the seller to document the exemption.
- 12.b. Residents of an adjoining state that does not impose a sales or use tax qualify for a sales tax exemption when in North Dakota to make a qualifying purchase. No ID number is required, but the purchaser must sign an exemption certificate designed for this purpose.
- 13.a. The following exemptions require an ID number: Resale, Agricultural, Manufacturing, Direct Pay Permit
- 13.b. The following require a copy of the exemption card: Manufacturing, Direct Pay Permit, Agricultural
- 14. a. Yes. Exempt certificates such as listed below must be issued at the time of purchase in order for the sale to be exempted from the tax.
- 14.b. An organization must apply for and receive a tax exempt certificate before their purchases would be exempt from tax.
 - Resale certificate
 - Exempt organization exemption certificate
 - Farmers exemption certificate
 - Manufacturing exemption certificate
 - Artist exemption certificate
- 14.c. A blanket resale certificate / exempt certificate may be issued on one time basis to a vendor, such certificate would exempt all sales made by that vendor to the taxpayer who issued the certificate.

15. Information regarding exemptions for South Dakota can be found on our website at http://dor.sd.gov/Taxes/Business_Taxes/

16.a. A Tennessee ID number is required for all types of entity and use based exemptions claimed that require a certificate except, purchases for resale by out-of-state retailers, and purchases by nonresident non-profits issuing a valid exemption from federal taxation under 26 U.S.C. § 501(c)(3). Tenn. Code Ann. Sections 67-6-409 and 67-6-322(e). Tennessee does accept another state's resale certificate/ID number for purchases made for resale in Tennessee by retailers located in another state that are entitled to purchase such property upon a resale certificate. TENN. COMP. R. & REGS. 1320-5-1-.29(2).

For foreign retailers that are not registered in any state, the foreign retailer may use the Streamlined Certificate and provide documentation from its home country that it is a reseller entitled to purchase such property for resale. 16.b. Information regarding the requirements to qualify for the different types of Tennessee authorizations for sales and use tax entity exemptions and the applications can be found on the Tennessee Department of Revenue's website. (e.g. manufacturing, agriculture, non-profit) www.tn.gov/revenue/article/forms-sales-and-use-tax.

17. An ID number is required for all exemptions except:

- Leasbacks
- Film, television, video
- Medical equipment
- Out-of-state construction materials
- Construction materials purchased for airports
- Agricultural producer
- Textbooks for higher education
- United States Government or Native American tribe
- Heber Valley historic Railroad
- Foreign Diplomat
- Exclusive use out-of-state of vehicle, boat, boat trailer or outboard motor not registered in Utah

18. An ID number is required for all exemptions except Fuel or Electricity (used for residential, agricultural or manufacturing purposes), and Registerable Motor Vehicles Other than Cars and Trucks.

19.a. See RCW 82.04.470; Washington's SST Exemption Certificate.

19.b. Generally, for all exempt sales that require a buyer to present an exemption certificate (or the relevant data elements as allowed under the Streamlined Sales and Use Tax Agreement), the buyer must provide at least one of the acceptable identification numbers noted in #3 below, subject to certain exceptions identified in #5 below.

19.c. The following is a list of special requirements to claim an exemption –

1. Partial exemption for sales of liquefied natural gas to a business operating as a private or common carrier by water in interstate or foreign commerce (Effective July 1, 2015) – RCW 82.08.02.61; WAC 458-20-117; 458-20-175
2. Exemption for wholesale sale (resale) – RCW 82.08.130, 82.04.470; 82.32.780; WAC 458-20-102
3. Exemption for certain eligible server equipment (Expires 4/1/2020) – RCW 82.08.986
4. SUT deferral for certain manufacturing & research/development activities in high unemployment counties - RCW 82.60; WAC 458-20-24001
5. SUT deferral for certain eligible investment projects - RCW 82.66 (new thoroughbred race tracks); RCW 82.74 (fruit and vegetable businesses); RCW 82.75 (biotechnology and medical device manufacturing businesses);
6. SUT deferral for construction of a qualified building or buildings in certain eligible community empowerment zones - RCW 82.82

20.a. The following Wisconsin exemptions require an ID number on the exemption certificate:

- Purchases for resale require either the Wisconsin seller's permit number or SSTID (few exceptions – see #5 below)
- Wisconsin organizations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals are required to provide its Certificate of Exempt Status (CES) number.
- Native American Tribal Members are required to provide their Tribe enrollment number.

20.b. The SSTID may only be used when the purchaser is claiming resale on the exemption certificate.

20.c. The following are exempt purchases for resale and do not require an ID number:

- o Wholesaler who sells to others for resale may insert "wholesale only" in the space for the seller's permit number
- o A person who only sells or repairs exempt property, such as to a manufacturer or farmer, may insert "exempt sales only"
- o A nonprofit organization may insert "exempt sales only" if its subsequent sales of taxable products or services are exempt as occasional sales.

21. An ID number is required for all exemptions except: Wholesale for resale

