



Streamlined Sales Tax Governing Board Meeting Minutes  
Monday, August 31, 2020, 10:00 am Central  
Teleconference

**Welcome and roll call of member states**

President Tim Jennrich welcomed everyone and called the meeting to order at 10:05 am central. The roll of the states was called, 23 full member states and one associate member state were participating, and the quorum was established.

**Proposed CSP Contract for January 1, 2021 – December 31, 2023**

Tim Jennrich provided some background and opening comments related to the CSP contract negotiation process. Tim asked Craig Johnson to provide a very brief high level summary of the primary changes since the membership had gone through all the changes in detail in previous meetings. Craig stated the proposed contract would be for a term of 3 years, the compensation tiers would change from seven to two tiers – except for small sellers there may be three tiers to provide some additional compensation and the identification and makeup of eligible sellers would now be referred to as CSP-compensated sellers rather than volunteer sellers. Marketplace Facilitators and Multilevel Marketing Companies could qualify as CSP-compensated sellers if they meet the same criteria that other sellers must meet. MLMs do have to abide by any specific state requirements, such as entering into an agreement with a state, to qualify. The proposed contract clarifies certain procedures for states and CSPs to follow. For example, states must follow the procedures provided in the CSP contract if they choose to challenge a compensated seller's status. There is also a section regarding contracts with non-member states that allows Streamlined to renegotiate the contract if the terms of nonmember state contract are more favorable.

Tim Jennrich went through each section of the contract and asked if anyone had questions.

No comments on Sections A, B or C.

In Section D, Heidi Genest asked the Governing Board to reconsider the implementation date in Section D.2.(b)(2) stating we have never had a contract look back on and possibly affect current sellers and believes this needs to be prospective. She requested either a January 1, 2021 or at least a September 1, 2020 date. Guy Childers stated a date of September 1, 2020 would be acceptable to Nevada. Mike Walsh stated the date when Wayfair went into effect is an appropriate date. After that date, everything changed as to who would have to start collecting and filing for all states. The date does not put anyone out automatically, it just allows the states to challenge the seller's status as of that date. Scott Peterson asked if any state has a specific example of a seller that qualifies today but would not qualify under this language. No state had a specific example, but Craig provide a general example. Dan Noble indicated that this is not in the current contract and he does not feel it is appropriate to look back and would support a January 1, 2021 date. Richard Dobson indicated that it sounds like Heidi would be OK with a 9/1/20 date and that would limit the impact on existing sellers and only affect sellers coming in after today's



meeting. Mike Walsh indicated there had also been discussion about using July 1, 2020. Chad Paulson indicated he would like to see a more current date and would prefer the 9/1 date. Richard Dobson made a motion to amend the date to July 1, 2020. President Jennrich called for discussion on the motion.

Mike Walsh reiterated that everything changed on June 21, 2018 when the Wayfair decision came down. Heidi indicated she understands why the states want this provision and supports having the provision added. She also pointed out that this issue was even initially discussed until April or May of this year. Jerry Johnson indicated that he understands the need for this section and a September 1 date makes the most sense to prevent any gaming of the system. Dan Noble asked Richard if he would accept a friendly amendment to his motion to make the date 9/1 instead of 7/1. Richard agreed with the amendment to his motion to use the 9/1 date instead of the 7/1 date. Mike Walsh asked to amend the proposed date back to July 1. As a point of order, Senator Harper indicated an amendment to an amendment may is not appropriate. A voice vote was taken on the amendment using the September 1, 2020 date. The voice vote was not unanimous. A roll call vote was taken. With 22 yes votes (Kansas and Nebraska, no) the motion carried.

Sherry Hathaway (TN) asked to hear background on why we are allowing compensation for Multilevel Marketing Companies. Craig stated we had a full discussion regarding MLMs and having independent representatives in states. States are still able to challenge MLMs if they believe they do not meet the qualifications. Tim Jennrich and Richard Dobson stated there was robust conversation around this topic for quite some time. Richard indicated that this was vetted, separate tiers were considered, etc., but this is where we ultimately came to agreement. Sherry stated Tennessee has had long standing agreements with MLMs so their clients do not have to remit on their own and therefore just wanted to make sure this issue had been considered.

With no further questions or discussion, Mike Walsh moved to accept the current contract as amended during this meeting. Tim asked for final comments. There were no comments from the states. Scott Peterson indicated that he has been a part of every CSP contract negotiation process and indicated that he appreciated the compromise and what SST is doing, including not taking Wayfair for granted. John Milan also thanked the SST members. A voice vote was taken, but was not unanimous. A roll call vote was taken. There were 23 yes votes with Georgia abstaining. Motion carried.

Craig thanked the State Negotiating Team Members (Tim Jennrich (WA), Representative Kennedy (RI), Diane Hardt (WI), Dan Noble (WY), Richard Dobson (KY), Mike Walsh (NE), Senator Wayne Harper (UT)), the SSTGB Staff (Christie Comanita, Jody Bartels and Bobbie Stellner) and the CSPs (Heidi Genest, Chad Paulson and Scott Peterson from Avalara, John Milan, Russ Brubaker, Jerry Johnson and Gary Centlivre from Tax Cloud, Chuck Maniace, Katie Smethurst and Steve Kirchner from Sovos and Taxify, John Mollenkamp and Anna-mary Geist from Intuit/Exactor, Pete Petracco from AccurateTax and Charles Wessman from Taxometry).



Craig indicated that he is very pleased with the fact that the Streamlined membership continues to recognize the value of the services offered by the CSPs and the continued partnership that we will have with them. Today's vote shows that the member states recognize not only the benefits to the state but also the importance of making these services available to all remote sellers to ease their compliance burdens. Craig also said that although we may still encounter issues and hiccups along the way, if we all continue to work together and communicate, he is confident we will continue to see more accurate and improved voluntary sales tax compliance

**Old Business**

None

**New Business**

None

**Upcoming Executive Committee meetings (Other special meetings as needed)**

- October 14, 2020 – Nashville, TN – Teleconference – 10 am central
- December 4, 2020 – Teleconference – 10 am central
- January 15, 2021 – Teleconference – 10 am central

**Upcoming Governing Board Meetings**

- Annual meeting, October 14 – 15, 2020 – Nashville, TN – Teleconference? TBD
- December 18, 2020 – Teleconference – 10 am central

**Adjournment**

Dan Noble motioned to adjourn the meeting at 12:05 pm central.