

# **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:

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- 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.

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- 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.