

**A motion by Oklahoma and North Dakota to amend Sections 327, 805, 805.1, 303, 401, 601 and 602 of the Agreement to (1) require states to follow any specific lists of products or services relating to a term defined in the SSUTA as adopted by the Governing Board; (2) make the additional necessary changes to prevent conflicts within the Agreement related to these changes; and (3) provide that the contract with the CSPs may require a state that is not compliant with the SSUTA to pay higher CSP compensation.**

#### **Section 327: LIBRARY OF DEFINITIONS**

Each member state shall utilize common definitions as provided in this section. The terms defined are set out in the Library of Definitions, in Appendix C of this Agreement. A member state shall adhere to the following principles:

- A. If a term defined in the Library of Definitions appears in a member state's sales and use tax statutes or administrative rules or regulations, the member state shall enact or adopt the Library definition of the term in its statutes or administrative rules or regulations in substantially the same language as the Library definition.
- B. A member state shall not use a Library definition in its sales or use tax statutes or administrative rules or regulations that is contrary to the meaning of the Library definition.
- C. Except as specifically provided in Sections 316 and 332 and the Library of Definitions, a member state shall impose a sales or use tax on all products or services included within each Part II or Part III\_(B) definition or exempt from sales or use tax all products or services within each such definition- including all products and services listed in the rules, appendices and interpretive opinions adopted by the governing board. Provided, the requirements of this subsection shall only apply to Part III\_(B) definitions to the extent that such definitions are used in the administration of a sales tax holiday. A member state is not in compliance with the Agreement if the member state excludes any product or service that is included within a product definition or includes a product or service that is excluded from a product definition.

#### **Section 805: COMPLIANCE**

**A motion by Oklahoma and North Dakota to amend Sections 327, 805, 805.1, 303, 401, 601 and 602 of the Agreement to (1) require states to follow any specific lists of products or services relating to a term defined in the SSUTA as adopted by the Governing Board; (2) make the additional necessary changes to prevent conflicts within the Agreement related to these changes; and (3) provide that the contract with the CSPs may require a state that is not compliant with the SSUTA to pay higher CSP compensation.**

- A. A member state is in compliance with the Agreement if the effect of the state's laws, rules, regulations, and policies is substantially compliant with each of the requirements set forth in the Agreement, even though the state uses different words than those contained in the Agreement. These requirements shall include the rules, interpretive opinions, and appendices adopted by the Governing Board.
- B. Unless the governing board specifies a different time period, no member state shall be found out of compliance under subsection A for failing to substantially comply with any amendment to the Agreement adopted under section 901 of the Agreement or an interpretation or interpretive rule adopted under section 902 of the Agreement, if substantial compliance with the amendment, interpretation or interpretive rule requires the state to make a statutory change, until the later of the first day of January at least two years after the adoption of the amendment, interpretation or interpretive rule or the first day of a calendar quarter following the end of one full session of the state's legislature.
- C. Unless the governing board specifies a different time period, no member state shall be found out of compliance under subsection A if its noncompliance is a result of a judicial ruling in that state that interprets that term of the Agreement in a manner inconsistent with an interpretation by, or interpretive rule of, the governing board adopted under section 902 of the Agreement and the member state comes into substantial compliance with the interpretation of the governing board by amending its statutes before the later of the first day of January at least two years after the issuance of the judicial decision or the first day of a calendar quarter following one full session of the state's legislature.

*See Compiler's Notes for history.*