

2014 Executive Director Report of Amendments to the SSUTA, SSTGB Rules and Interpretive Opinions

Pursuant to Streamlined Sales Tax Governing Board (SSTGB) Rule 803.2, this document contains the amendments to the Streamlined Sales and Use Tax Agreement (SSUTA) and the SSTGB rules and related appendices during calendar year 2014. It also contains the interpretive opinions adopted by the SSTGB during 2014.

While some amendments may include a specific future effective date, most are adopted without a specific effective date. Absent a specific effective date, the date by which a state must conform to an amendment is the date upon which a state may be sanctioned. Pursuant to Section of 809 of the SSUTA, if a state is required to make a statutory change to comply with any amendment to the SSUTA, or interpretation or interpretive rule adopted by the SSTGB, the state may not be sanctioned for failure to comply with the amendments and rules “...until the later of the first day of January at least two years after the adoption of the amendment ... or the first day of a calendar quarter following the end of one full session of the state’s legislature.”

Index to SSUTA Amendments, SSTGB Rule Amendments and CRIC Interpretive Opinions

Section I. Amendments to the SSUTA

- A. Library of Definitions – Sales Tax Holidays – WaterSense Products – Pg. 2
- B. Library of Definitions – Prepared Food – Items Ordinarily Requiring Additional Cooking – Pgs. 2 - 3
- C. Library of Definitions – Prepared Food – Meat and Seafood Products – Pgs. 3 - 4
- D. Appendix E – Library of Best Practices – Best Practices Number 2 – Credits – Pgs. 5 - 13

Section II. SSTGB Rule Amendments

- A. Rule 501.2 – Pgs. 14 - 15
- B. Appendix F – Pgs. 15 - 27
- C. Appendix E – Pgs. 28 – 33
- D. Rule 806.1.2 (Sections I, L, and N) – Pgs. 33 – 35
- E. Rule 902 (Interpretive Opinions of Agreement) – Pg. 36
- F. Appendix A – SST Certification Process for Certified Service Providers – Pgs. 36 – 38
- G. Appendix C – CSP Minimum Standards - Pg. 39

Section III. CRIC Interpretive Opinions

- A. Interpretive Opinion 2013-03 – Take-n-Bake Pizzas – Prepared Food – Pgs. 40 - 43

Appendices

- Appendix 1 – Credits Best Practice Matrix – Pgs. 44 - 52

Section I. Amendments to the SSUTA

- A. The amendment below to Appendix C, Library of Definitions, Part III, Sales Tax Holidays, of the SSUTA was adopted by the SSTGB on May 15, 2014. No state required to make a statutory change may be sanctioned for not following this amendment until the later of January 1, 2017, or the first day of a calendar quarter following the end of one full session of the state’s legislature.**

Summary of amendment - This amendment adopts a definition of “WaterSense Products” that a state may use with respect to sales tax holidays.

A motion by Georgia to amend Appendix C, Library of Definitions, Part III, Sales Tax Holiday Definitions, to add a definition for “WaterSense Products.”

“WaterSense Product” means a product that meets the water efficiency and performance criteria set by the United States Environmental Protection Agency and is authorized to bear the United States Environmental Protection Agency WaterSense label. Covered products are those listed at <http://www.epa.gov/WaterSense/products/index.html> or successor address. A member state that wishes to exempt “WaterSense Products during a sales tax holiday may:

1. Exempt all WaterSense Products, or
2. Exempt specified WaterSense Products, or
3. Exempt specified classifications as categorized on the WaterSense product listing.

- B. The amendment below to Appendix C, Library of Definitions, Part II, Product Definitions, of the SSUTA was initially adopted by the SSTGB on May 14, 2014. The second vote on the amendment occurred on October 7, 2014. No state required to make a statutory change may be sanctioned for not following this amendment until the later of January 1, 2017, or the first day of a calendar quarter following the end of one full session of the state’s legislature.**

Summary of amendment - This amendment adds a toggle to the definition of “prepared food” that states may utilize to exclude certain products that may otherwise fall within the definition of “prepared food” from that definition.

A motion by Minnesota, North Dakota, South Dakota, Washington and Wyoming to amend the definition of “prepared food” so that it reads as follows:

“Prepared food’ means:

- A. Food sold in a heated state or heated by the seller;

B. Two or more food ingredients mixed or combined by the seller for sale as a single item; or

C. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.

‘Prepared food’ in B does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

The following items may be taxed differently than ‘prepared food’ and each other, if sold without eating utensils provided by the seller, but may not be taxed differently than the same item when classified under ‘food and food ingredients.’

1. Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries).

2. Food sold in an unheated state by weight or volume as a single item.

3. Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas.

4. Food sold that ordinarily requires additional cooking (as opposed to just reheating) by the consumer prior to consumption.

Substances within ‘food and food ingredients’ may be taxed differently if sold as ‘prepared food.’ A state shall tax or exempt from taxation ‘bottled water,’ ‘candy,’ ‘dietary supplements,’ and ‘soft drinks’ that are sold as ‘prepared food’ in the same manner as it treats other substances that are sold as ‘prepared food.’”

C. The amendment below to Appendix C, Library of Definitions, Part II, Product Definitions, of the SSUTA was adopted by the SSTGB on May 14, 2014. No state required to make a statutory change may be sanctioned for not following this amendment until the later of January 1, 2017, or the first day of a calendar quarter following the end of one full session of the state’s legislature.

Summary of amendment - This amendment adds a toggle to the definition of “prepared food” that states may utilize to exclude certain products that may otherwise fall within the definition of “prepared food” from that definition.

A motion by Minnesota to amend the definition of “prepared food” to add 2.b. so that it reads as follows:

“‘Prepared food’ means:

- A. Food sold in a heated state or heated by the seller;
- B. Two or more food ingredients mixed or combined by the seller for sale as a single item; or
- C. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.

‘Prepared food’ in B does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

The following items may be taxed differently than ‘prepared food’ and each other, if sold without eating utensils provided by the seller, but may not be taxed differently than the same item when classified under ‘food and food ingredients.’

- 1. Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries).
- 2. a. Food sold in an unheated state by weight or volume as a single item; or
b. Only meat or seafood sold in an unheated state by weight or volume as a single item.
- 3. Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas.
- 4. Food sold that ordinarily requires additional cooking (as opposed to just reheating) by the consumer prior to consumption.

Substances within ‘food and food ingredients’ may be taxed differently if sold as ‘prepared food.’ A state shall tax or exempt from taxation ‘bottled water,’ ‘candy,’ ‘dietary supplements,’ and ‘soft drinks’ that are sold as ‘prepared food’ in the same manner as it treats other substances that are sold as ‘prepared food.’”

D. The amendment below to Appendix E, Library of Best Practices, of the SSUTA was adopted by the SSTGB on May 15, 2014. No state may be found out of compliance for not following a best practice. Instead, states are asked to indicate if they follow a particular best practice and if they do not follow it, to explain how the item is handled in their state.

Summary of amendment - This amendment adds additional best practices related to credits for sales and/or use taxes paid to other state and local jurisdictions. States indicate their responses to these best practices on the best practices portion of the taxability matrix.

A motion by Nebraska and South Dakota to adopt the best practices and corresponding best practices matrix under Sections 328 and 335 of the SSUTA relating to credits.

Best Practice Number 2 - Tax Credits

Term definitions for use in this Appendix

A. “Product” includes tangible personal property, a digital good or product transferred electronically, or a service.

B. “Sales or use taxes” mean the taxes that are commonly referred to as sales or use taxes that are paid to a state, local jurisdiction or to the District of Columbia that are based on a percentage of the sales price or purchase price. The states of Alaska, Delaware, New Hampshire, Montana, and Oregon do not impose taxes commonly referred to as state sales or use tax. Sales or use taxes do not include “similar tax”.

C. “Similar tax” means a tax that is:

1. Imposed on the seller or purchaser;
2. Required to be, or which may be, collected from the purchaser at the time of the sale;
3. Based on a percentage of the sales price or purchase price of the product; and
4. Required to be paid by the purchaser directly to the state, if the seller was not required to remit the tax and the purchaser stored, used or otherwise consumed the product in the state.

Examples that may be similar taxes:

- motor vehicle excise taxes
- highway use taxes
- scrap tire taxes
- mill machinery taxes
- data center taxes

- manufacturing taxes
- farm and irrigation equipment excise taxes

D. “Tax paid” means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state’s sourcing rules. “Tax paid” includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. “Tax paid” does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement

E. “Sales or use taxes paid” means the “sales or use taxes” that are “tax paid”.

Use of the term “State” in each practice refers to the state completing the Matrix.

The credit provided by a State will not exceed the total state and/or local sales or use tax due on a product in that State unless that state indicates otherwise.

Example of “Tax Paid” to Subsequent State:

- Purchaser receives a taxable product in State A for \$1,000 and pays State A’s 5% sales tax, \$50, to the seller.
- Purchaser uses the product in State B where the state sales and use tax rate is 6%. State B provides credit for sales or use tax paid on the initial purchase. Purchaser owes and pays State B \$10 for sales or use tax. ($(\$1000 \times 6\% = \$60) - \$50 = \10)
- Purchaser then uses the product in State C where the state’s sales and use tax rate is 7%. State C provides credit for sales or use tax paid on the initial purchase and for taxes paid on use in a previous state. Purchaser owes State C \$10 sales or use tax, as applicable. ($\$1000 \times 7\% = \70) - $\$60 = \10)

Example of “Tax Paid” Eligible for Refund:

- A purchaser buys, takes delivery of, and uses a piece of equipment in State A, which imposes a 5% sales tax.
- State A exempts equipment used in manufacturing. While purchaser’s use of the equipment qualifies for the exemption, the purchaser does not provide the seller with an exemption certificate. Therefore, the seller collects State A’s 5% tax on the sales price of the equipment.
- The purchaser uses the equipment in State B, where the sales and use tax rate is 6%. State B does not exempt the purchaser’s equipment from its sales and use tax.

- The purchaser can apply for and receive a refund of the 5% sales tax from State A.
- The purchaser owes State B 6% sales or use tax on the equipment.

Best Practice 2.1 Credit Against Use Tax

The State imposing tax provides credit for “sales or use taxes paid” on a product against the State’s use tax.

Best Practice 2.2 Credit against sales tax

The State imposing tax provides credit for the “sales or use taxes paid” on a product against the State’s sales tax.

Credit for taxes paid on lease and rental transactions is provided for in Practices 2.14 – 2.16.

Best Practice 2.3 Reciprocity

2.3.a. The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.

2.3.b. The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.

Best Practice 2.4 State and Local Sales and Use “Tax Paid”

2.4.a. The credit provided for in 2.1 and 2.2 is for the combined amount of state and local “tax paid” to another state or local jurisdiction against both the state and local taxes due to the State.

2.4.b. The credit provided for in 2.1 and 2.2 is for only the state “tax paid” to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.

Example A

- Purchaser buys a taxable product from Seller in State A for \$1,000.
- Purchaser takes possession of the product at Seller's location in State A.
- Seller collects State A's 5% state sales tax (\$50) and 2% local sales tax (\$20) on the transaction.
- Purchaser takes the product to State B where the state use tax rate is 4% (\$40) and the local use tax rate is 4% (\$40).

- State B gives credit for State A's 5% state tax paid against its 4% state use tax and gives credit for State A's 2% local sales tax paid against its 4% local use tax.
- State B will receive \$20 in local use tax (\$40 - \$20) on this transaction.
- Purchaser paid a total of \$90 in sales and use tax (\$70 in State A and \$20 in State B).

Best Practice 2.5 Credit for "Similar Tax" Paid to Another Jurisdiction

The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due.

Credits for "similar taxes" are subject to the same restrictions and "tax paid" definitions in the best practice matrix as the credit for "sales or use taxes paid."

The State should list the "similar taxes" for which credit is allowed that are known to the State. The State should also indicate any other taxes it provides credit for even if such tax does not meet the definition of a "similar tax."

Example B

- State A imposes a 7% sales tax and State B imposes a 6% agricultural excise tax.
- The purchaser buys, takes delivery of, and uses farm machinery in State B and pays State B the agricultural excise tax.
- The purchaser subsequently uses the equipment in State A.
- State A imposes its tax on the machinery and provides credit for the agricultural excise tax paid to State B.
- The purchaser owes 1% sales or use tax to State A.

Best Practice 2.6 Credit Against "Similar Taxes" Imposed by the State

The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due.

A state that provides credit against specific "similar taxes", but not all, should identify the "similar taxes" for which it provides credit against in the comments section of the Matrix. The State should indicate any other taxes it provides credit against even if such tax does not meet the definition of a "similar tax."

Example C

- State A imposes a 7% sales tax and State B imposes a 6% agricultural excise tax.

- The purchaser buys and takes delivery of farm machinery in State A and pays 7% sales tax to State A.
- The purchaser immediately moves the farm equipment to State B.
- State B allows credit for sales tax paid State A against the agricultural excise tax due on the farm machinery. No additional tax is due State B.

Best Practice 2.7 Sourcing when Receipt Location is Known

The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.

Best Practice 2.8 Sourcing when Receipt Location is Unknown

Except as provided in Best Practice 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.

Example D

- A purchaser buys a digital product but does not provide seller with a delivery address. The seller collects 5% sales tax based on the purchaser's billing address in State A pursuant to SSUTA Section 310.A.3.
- The purchaser downloads the product in State B, where the sales tax rate is 7%.
- State B would allow credit for the 5% sales tax paid against the 7% use tax due. The purchaser would pay State B 2% use tax on the purchase.

Best Practice 2.9 Characterization of Sale

The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.

Best Practice 2.10 Sales Price Components

2.10.a. Full Credit Allowed.

The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sale price" definition, taxable and nontaxable in the State.

Example E

- State A includes delivery charges in its definition of "Sales Price".

- State B does not include delivery charges in its definition of “Sales Price”.
- The purchaser buys equipment that is delivered in State A. The sales price of the product is \$11,000, which includes \$1,000 for delivery.
- The purchaser pays \$550 sales tax to State A ($\$11,000 \times 5\% = \550).
- The purchaser uses the property in State B where the tax rate is 7%.
- State B provides full credit for \$550 sales tax paid to State A.
- The purchaser pays an additional \$150 use tax to State B. ($(\$10,000 \times 7\% = \$700) - \$550 = \150).

2.10.b. Partial Credit Allowed

When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the “tax paid” on the taxable components of the sales price in the State.

Example F

- State A includes delivery charges in its definition of “Sales Price”.
- State B does not include delivery charges in its definition of “Sales Price”.
- The purchaser buys a product that is delivered in State A. The sales price of the product is \$11,000, which includes \$1,000 for delivery. The delivery charge is itemized.
- The purchaser pays \$550 sales tax to State A ($\$11,000 \times 5\% = \550).
- The purchaser uses the property in State B where the tax rate is 7%.
- State B provides credit for \$500 sales tax paid to State A ($\$10,000 \times 5\% = \500).
- The purchaser pays an additional \$200 use tax to State B ($(\$10,000 \times 7\% = \$700) - \$500 = \200).

Best Practice 2.11 Transactions with Taxable and Exempt Products

2.11.a. Full Credit Allowed.

The credit provided for in 2.1 and 2.2 applies to the full amount of “tax paid” on a transaction consisting of taxable and exempt products.

Example G

- Purchaser has a piece of equipment repaired in State A that imposes 4% sales and use tax on repair parts and repair labor. The purchaser pays \$60 in sales or use tax, \$500 for parts and \$1,000 for labor ($4\% \times \$1,500 = \60).
- The purchaser uses the equipment in State B.

- State B imposes tax on repair parts at the rate of 7%; however, repair labor is not taxed.
- The tax due in State B on the repair parts is \$35 (7% X \$500).
- State B gives credit for the total tax paid to State A (\$60) resulting in no additional tax being due in State B.

2.11.b. Partial Credit Allowed.

When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the “tax paid” on the taxable products of a transaction in the State.

Example H

- Purchaser has a piece of equipment repaired in State A that imposes 4% sales and use tax on repair parts and repair labor.
- The purchaser pays \$60 in sales or use tax, \$500 for parts and \$1,000 for labor (4% X \$1,500 = \$60).
- The purchaser uses the property in State B and uses it in a taxable manner. State B taxes repair parts at the rate of 7% but repair labor is not taxed.
- The tax due in State B on the repair parts is \$35 (7% X \$500 = \$35).
- State B gives credit for the tax paid to State A on the repair parts (\$500 X 4% = \$20) resulting in \$15 additional tax due State B (\$35 - \$20 = \$15).

Example I

- Purchaser has equipment repaired in State A that imposes a 7% sales and use tax on repair parts, but excludes repair labor. The sale includes \$500 for parts and \$1000 for labor.
- The repair shop in State A collects and remits from the purchaser \$35 sales tax on the parts (\$500 X 7% = \$35).
- The purchaser takes the equipment to State B that imposes sales and use tax on both repair parts and labor at 4%.
- The purchaser has a taxable use in State B that imposes \$60 tax on the entire transaction for repair parts and repair labor (\$1,500 X 4% = \$60).
- State B gives credit for the tax paid to State A on the repair parts but only up to the rate imposed in State B or 4% of \$500 or \$20. This results in \$ 40 additional tax due on the labor (\$60 - \$20).

Best Practice 2.12 Audit Sampling

The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.

Best Practice 2.13 Direct Mail

The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.

Best Practice 2.14 Accelerated Payments on Lease/Rentals

The credit provided for in 2.1 and 2.2 includes the “tax paid” to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments (“accelerated basis”), against the “sales or use taxes” due on the balance of the lease/rental payments.

Example J

- A purchaser enters into a leasing agreement in State A where the state tax rate is 5%. The agreement is for a three-year period with monthly lease payments of \$1,000.
- State A imposes sales tax on an accelerated basis; collecting \$1,800 in sales tax at the inception of the lease ($\$36,000 \times 5\% = \$1,800$). The property remains in State A for 12 months.
- In month 13, the purchaser moves the property to State B where the state tax rate is 8%.
- State B also imposes tax on an accelerated basis.
- The purchaser owes use tax at the rate of 8% on the remaining 24 lease payments or \$1,920 ($\$24,000 \times 8\% = \$1,920$).
- State B allows credit for the \$1,800 paid to State A. The purchaser owes an additional \$120 to State B ($\$1,920 - \$1,800$).

Example K

- The same fact pattern as above except that State B imposes tax on the stream of lease payment each month.
- When the property is moved to State B in month 13, State B begins imposing tax on each payment or \$80 per month.
- State B allows credit against the use tax due on the monthly payments until such time as the credit is exhausted; any remaining lease payments are subject to tax at the 8% rate.

Best Practice 2.15 Inception-Deferred Collection on Lease/Rentals

The credit provided for in 2.1 and 2.2 includes the “tax paid” to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the “sales or use taxes” due on the balance of the lease/rental payments.

Example L

- A purchaser enters into a leasing agreement in State A where the state tax rate is 5%. The agreement is for a three-year period with monthly lease payments of \$1,000.
- State A imposes sales tax at the inception of the lease but allows for deferred collection of the tax.
- The property remains in State A for 12 months; then is moved to State B where the tax rate is 8%. State A collects tax during the life of the lease.
- In month 13, the purchaser moves the property to State B where the state tax rate is 8.0%. State A continues to impose its 5% tax on the lease.
- The lease payments which become due once the property is moved are subject to an additional 3% tax (8% - 5% = 3%).

Best Practice 2.16 Lessor Acquisition

The credit provided for in 2.1 and 2.2 includes the “tax paid” by the lessor to another state or local jurisdiction on the acquisition of the product against the “sales or use taxes” due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.

Example M

- A lessor purchases a piece of equipment in State A that will be leased to third parties. The tax rate in State A is 6%.
- State A allows the lessor to pay tax on its purchase price, \$15,000, in lieu of collecting tax on the lease payments. The lessor pays \$900 sales tax to State A ($\$15,000 \times 6\% = \900).
- The equipment is leased to a company for three years and the amount of tax paid is disclosed to the lessee.
- The lessee moves the equipment to State B which has a 7% state tax rate.
- State B would provide credit of \$25 ($\$900/36 = \25) each month against the use tax due in State B.

II. Rule Amendments

- A. This amendment amends SSTGB Rule 501.2 related to the CSP certification process. This was approved by the SSTGB on May 15, 2014.**

Summary of amendment - This amendment amends SSTGB Rules 501.2 and provides the timeline to be followed when certifying new certified service providers.

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to Rule 501.2 regarding certification of service providers

Rule 501.2 – Certification of service providers

The certification process for CSP ~~candidates~~ applicants shall take place as described below and shown in Appendix A.

1. ~~Interested persons~~ Applicants shall notify the Executive Director of their intentions in of becoming a Certified Sservice Pprovider (CSP).
2. ~~Within 10 calendar days Candidates shall submit a completed self-evaluation assessment to the Executive Director. The Executive Director shall notify the Certification Committee Chairperson of the CSP Applicant regarding the candidate's status for further evaluation.~~
3. ~~Within 10 calendar days tThe Certification Committee Chairperson provides a cover letter and the CSP Self-Assessment Questionnaire to the CSP Applicant. shall review documentation submitted by candidates, screen and identify candidates for further evaluation and testing, and conduct site reviews within 90 days of submission of the self-evaluation assessment in subdivision 2. CSP Applicant has 30 calendar days to complete the Self-Assessment Questionnaire and return it to the SSTGB Executive Director.~~
4. SSTGB Executive Director receives the CSP Self-Assessment Questionnaire from the CSP Applicant. Within 10 calendar days the SSTGB Executive Director passes the Self-Assessment Questionnaire to the Certification Committee Chairperson for review.
5. Certification Committee Chairperson or Executive Director accepts or rejects the Self-Assessment Questionnaire within 10 calendar days. If accepted, the Certification Committee Chairperson or Executive Director responds to the CSP Applicant with a cover letter and a CSP Application. The Applicant is given 30 calendar days to file the completed application or request an extension.
6. The Certification Committee shall review documentation submitted by Applicant, screen and identify Applicant for further evaluation and testing, and conduct site reviews within 90 calendar days of submission of the CSP application.

~~47.~~ The Certification Committee shall recommend an ~~candidate~~ Applicant for system testing within 15 calendar days ~~of completion of the requirements in subdivision 3.~~ Any ~~candidate~~ Applicant not recommended for further evaluation may address issues and discrepancies found during the initial review process and re-apply for certification.

~~5. 8.~~ Testing Central shall manage the system(s) ~~testing~~ between the CSP ~~candidate~~ Applicant and the member states. The criteria to begin testing must be met prior to the initiation of testing. ~~(Reference - SST Testing Process for Certification of Service Providers, Appendix E).~~ Upon successful completion of testing, each member state shall recommend certification of the CSP ~~candidate(s)~~ to Applicant to the Certification Committee. Testing must be completed within 5 months unless extensions are requested and granted.~~of the completion of subdivision 4.~~

~~69.~~ Within 15 calendar days of conclusion of system testing, ~~t~~The Certification Committee shall ~~submit the recommended~~ acceptance or rejection of the CSP Applicant to the Executive Director. ~~candidate(s) to the Executive Director within 15 days of the completion of subdivision~~

~~710.~~ The Executive Director shall submit the recommended ~~candidate(s)~~ Applicant to the Executive Committee for certification within 15 calendar days ~~of completion of subdivision 6.~~

~~811.~~ The Executive Committee shall ~~act approve or reject on the new certification recommendation(s)~~ ed CSP Applicant within 15 calendar days, ~~of completion of subdivision 7.~~

~~912.~~ Contracts shall be negotiated and signed by officers designated by the Executive Committee. To remain compliant with the contract, Certified Service Providers shall be operational through the term of the contract.

B. Appendix F of the SSTGB Rules relates to the reports and files to be provided by the certified service providers and was amended twice in 2014. The amendments approved at the SSTGB meeting on May 15, 2014 are shown using underlines and strikeouts but are not highlighted. The amendments approved at the October 7, 2014 SSTGB meeting are highlighted. CSPs must implement the amendments approved on October 7, 2014 by October 1, 2015.

Summary of amendment - These amendments amend Appendix F of the SSTGB Rules and requires the CSP to upload the necessary files and reports on an annual basis to the SSTGB's centralized secure location, provides the proper file naming convention to be used and also the requirements for each of the fields in the report.

May 15, 2014 Motion - A motion by South Dakota, on behalf of the Audit Committee, to adopt changes to the Governing Board Rules, Appendix F, SST Reports

October 7, 2014 Motion - A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to the Governing Board Rules, Appendix F, SST Reports.

(The document below incorporates the amendments made by both of the motions noted above.)

SST Reports

The SST Governing Board Executive Director requires data from all CSPs pertaining to all member states. The administrator for each state requires data from the CSPs and Model 2 and Model 3 filers pertaining to data for their respective states.

File Location: Each CSP will place the files in their assigned FTP state folders a centralized secure location as determined by the SSTGB Executive Director, ~~and then notify Testing Central that the files are ready to be moved. Testing Central will move the files into the corresponding state audit or administration FTP folders and notify the states the files are ready for review.~~

Date Required: Required reports and files in the following specified formats will be provided ~~for each quarter~~ annually. The CSP will upload their files ~~to their FTP site by the February 15th of each year day.~~ This data will be for the previous calendar year. ~~of the second month following the quarter end. Quarter 1 (January, February, March) will be due May 15, Quarter 2 due August 15, Quarter 3 due November 15 and Quarter 4 due February 15.~~ In cases where the CSP utilizes Product Mapping files, these files will be uploaded at the same time as the data reports ~~quarterly~~. Model 2 filers will provide their files to the respective states as requested by each state auditor at the time of audit.

File Format: Files will be in a comma delimited (.csv) format. The CSPs and Model 2 filers will ensure there are no commas contained within the record fields.

- If the CSP combines the data, compensation and control total files into a zip file for convenience during the upload process, the file name should be listed as follows:
 - The first three characters represent the last three numbers of the SST CSP ETIN, as shown on the SER or the Model 2 and Model 3 filer's SSTID.
 - Fourth and fifth characters represent the two character alpha state abbreviation or "ED" in the case of the Executive Director report.

File Names: The file names for the compensation, audit and control totals files will be constructed as follows:

- The first three characters represent the last three numbers of the SST CSP ETIN, as shown on the SER or the Model 2 and Model 3 filer's SSTID.
- Fourth and fifth characters represent the two character alpha state abbreviation or "ED" in the case of the Executive Director report.
- Sixth character represents the data type: C (compensation), A (audit), or T (control totals).
- Seventh and eighth characters represent the year the information is for.
- Ninth character represents the quarter the information is for: 1, 2, 3 or 4.
- ~~Tenth~~Ninth character represents the version designator (V).
- Tenth character represents the version number.
- ~~Eleventh~~Tenth~~Eleventh~~ through ~~sixteenth~~fifteenth~~sixteenth~~ characters represent the date submitted to Testing Central~~uploaded to the centralized secure location~~ in yymmdd format.

Example: Compensation data file from Test CSP, Inc. (CSP000001) for Arkansas for ~~the third quarter of the year of 2014~~, submitted to the centralized secure location ~~Testing Central on November 14~~February 15, 2015:
001ARC113V111114001ARC14V1150215.csv

The file name for the product mapping file will be constructed as follows:

- The first character represents the data type: M (product mapping).
- Second through tenth characters represents the Seller SSTID.
- Eleventh and twelfth characters represent the year the information is for.
- ~~Thirteenth~~ character represents the quarter the information is for: 1, 2, 3 or 4.
- ~~Four~~Thirteen through ~~sixteenth~~fifteenth characters represent the last three numbers of the SST CSP ETIN, as shown on the SER.
- ~~Seventeenth~~Sixteenth character represents the version designator (V).
- Seventeenth character represents the version number.
- ~~Eighteenth~~Seventeenth~~Eighteenth~~ through ~~twenty-third~~secondthird characters represent the date submitted to the centralized secure location ~~Testing Central~~ in yymmdd format.

Example: Product mapping data file from Test CSP, Inc. (CSP000001)~~for the third quarter of 2011~~, submitted to the centralized secure location ~~for the year of 2014, on February 15, 2015: Testing Central on November 14, 2011~~:
MS999999994134001V111114150215.csv

This naming convention will be used for all files to be transferred, as addressed within this document.

Requirements for Compensation Report

Each CSP must provide compensation data for states where the seller is a volunteer seller. This data must be provided to the centralized secure location. ~~Testing Central~~

~~which will forward the compensation data for each state's voluntary sellers to the respective state's CSP administrator. This data is required to be in the aggregate for each seller. Model 2 filers do not file a compensation report.~~

~~Compensation Reports are submitted by February 15th of each year. This data will be for the previous calendar year quarterly. The report is due by the 15th day of the second month following the quarter end. The quarters are defined as:~~

~~Quarter 1 (Q1) January, February and March~~

~~Quarter 2 (Q2) April, May and June~~

~~Quarter 3 (Q3) July, August and September~~

~~Quarter 4 (Q4) October, November and December~~

~~The quarterly report reflects compensation earned during the quarter. For example, the sales for the Months—January, February and March (Q1) are reported and compensation claimed in the following month. The compensation report for January, February and March (Q1) will be the amount of compensation earned on the sales in January, February and March.~~

~~Amended return data will be included in the year month the amended return is filed. The data on the amended return line should show the net increase or net decrease resulting from the amended return.~~

The compensation data file will contain the following information:

Field	Field Name	Description	Format	Maximum Length
1	Seller SSTID		Alpha/Numeric	9
2	Startup Date	Century, Year and Month seller started with CSP	CCYYMM	6
3	Reporting Period		CCYYMM	6

4	Month Filed	When return was filed	CCYYMM	6
5	Return Type	(O) Original, (A) Amended	Alpha	1
6	Comp Allowance Allowed	Y (yes), N (no)	Alpha	1
7	Tax Due for Month	Amount from Volunteer Sellers	Numeric	15 including 2 decimals
8	Cumulative Tax Due for all States for Current Compensation Reporting Year (Volunteer Sellers Only)	Compensation year is a 12-month calendar period from the Startup Date	Numeric	15 including 2 decimals
9	Tier One Tax Amount		Numeric	15 including 2 decimals
10	Tier One Compensation		Numeric	15 including 2 decimals
11	Tier Two Tax Amount		Numeric	15 including 2 decimals
12	Tier Two Compensation		Numeric	15 including 2 decimals
13	Tier Three Tax Amount		Numeric	15 including 2 decimals
14	Tier Three Compensation		Numeric	15 including 2 decimals
15	Tier Four Tax Amount		Numeric	15 including 2 decimals
16	Tier Four Compensation		Numeric	15 including 2 decimals
17	Tier Five Tax Amount		Numeric	15 including 2 decimals
18	Tier Five Compensation		Numeric	15 including 2 decimals
19	Tier Six Tax Amount		Numeric	15 including 2 decimals
20	Tier Six Compensation		Numeric	15 including 2 decimals
21	Tier Seven Tax Amount		Numeric	15 including 2 decimals
22	Tier Seven Compensation		Numeric	15 including 2 decimals
23	Affiliated Seller ID	Used to identify Affiliated Seller/Groups	Alpha/Numeric	30

Examples of Compensation Tables or Files for ~~Quarter 2, 2011~~the year of 2014

Executive Director Report:

Seller SSTID	Startup Date	Reporting Period	Month Filed	Return Type	Comp Allowance Allowed	Tax Due for Month	Cumulative Tax Due for all States for Current Reporting Year (Volunteer Sellers Only)	Tier One Tax Amount	Tier One Compensation	Tier Two Tax Amount	Tier Two Compensation
S00000001	200609	2014404	2014405	O	Y	3500.00	23700.00	3500.00	280.00	0.00	0.00
S00000001	200609	2014405	2014406	O	Y	3000.00	26700.00	3000.00	240.00	0.00	0.00
S00000001	200609	2014406	2014407	O	Y	2000.00	28700.00	2000.00	160.00	0.00	0.00
S00000002	200704	2014404	2014405	O	Y	100000.00	100000.00	100000.00	8000.00	0.00	0.00
S00000002	200704	2014405	2014406	O	Y	100000.00	200000.00	100000.00	8000.00	0.00	0.00
S00000002	200704	2014406	2014407	O	Y	100000.00	300000.00	50000.00	4000.00	50000.00	3500.00

Specific State Report:

Seller SSTID	Startup Date	Reporting Period	Month Filed	Return Type	Comp Allowance Allowed	Tax Due for Month	Cumulative Tax Due for all States for Current Reporting Year (Volunteer Sellers Only)	Tier One Tax Amount	Tier One Compensation	Tier Two Tax Amount	Tier Two Compensation
S00000001	200609	2014404	2014405	O	Y	185.00	23700.00	185.00	14.80	0.00	0.00
S00000001	200609	2014405	2014406	O	Y	111.50	26700.00	111.50	8.92	0.00	0.00
S00000001	200609	2014406	2014407	O	Y	175.75	28700.00	175.75	14.06	0.00	0.00

S00000002	200704	2014104	2014105	O	Y	1500.00	100000.00	1500.00	120.00	0.00	0.00
S00000002	200704	2014105	2014106	O	Y	2500.00	200000.00	2500.00	200.00	0.00	0.00
S00000002	200704	2014106	2014107	O	Y	3000.00	300000.00	1500.00	120.00	1500.00	105.00

Requirements for Audit Work Files

Each state shall receive a file from each CSP and Model 2 filer of all taxable and exempt records in the format indicated below for its state only. The Audit Core Team will receive as needed a file(s) from Testing Central of taxable and exempt records of Model 1 seller transactions for all SST states in the format indicated below. Fields 1 through 25 are required to be provided for all records. Fields 39 and 40 are optional fields as determined necessary by each CSP. If an exemption by certificate is claimed, the remaining fields are also required to be completed using information from the Certificate of Exemption. In the case of Model 1, while the CSP is required to have a system in place to compile exemption certificates, they should not be considered out of contract compliance if not all the fields are populated, since many smaller sellers may not have the capability to enter the data elements as a part of the transaction data. The CSP may provide this information as a separate file in cases where not all fields are populated. If Model 2 Sellers do not have exemption information in an electronic format, hard copies may be provided.

Control Totals: Each CSP and Model 2 filer will provide a notification of control totals for each file distributed to every state, the Audit Core Team, Executive Director and others to assure that the audit and compensation files contain the same data that produced the related SERs and to verify that all records provided by each CSP or Model 2 filer are fully received by the intended parties.

The control totals will be summarized by each State. The report should be in one file such as Excel or another agreed-upon format. This notification shall include the following control total data elements for each State:

- Total number of line items
- Sum for total sales
- Sum for total taxable sales
- Sum for total exempt sales
- Sum for total tax

The control totals file will contain the following information:

Field	Field Name	Description	Format	Maximum Length

1	Ship To State	State name based on Ship To Address	Alpha	2
2	Total Number of Line Items	Sum of all line items for data download by State	Numeric	15
3	Total Sales Amount	Sum of total sales for data download by State	Numeric	15 including 2 decimals
4	Total Taxable Sales Amount	Sum of total taxable sales for data download by State	Numeric	15 including 2 decimals
5	Total Exempt Sales Amount	Sum of total exempt sales for data download by State	Numeric	15 including 2 decimals
6	Total Tax Amount	Sum of total tax amount for data download by State	Numeric	15 including 2 decimals

If a seller is not reporting on a normal calendar month basis, the CSP or Model 2 filer needs to ensure that all transaction records that comprise totals reported on the SERs for the ~~quarter~~ year are included in the file. Each state shall receive only those records where their state is included in the “Ship to State” field.

A separate “Product Mapping” file will be required when the following occurs;

1. Seller SKU or other seller unique code is sent but seller item description is not.
2. Seller sends CSP SKU or other CSP code (mapping is done in seller system using CSP codes)

The audit file will contain the following information:

Field	Field Name	Description	Format	Maximum Length
1	Seller SSTID	Seller SSTID	Alpha/Numeric	9

2	Seller Name	Seller Name	Alpha	40210
3	Transaction Number	Invoice or other number required to identify the transaction source document	Alpha/Numeric	40210
4	Transaction Line Item	Individual Line Number to be used in conjunction with the Transaction Number	Alpha/Numeric	4
5	Transaction Date	Century, Year, Month and Day the tax was calculated	CCYYMMDD	8
6	Total Amount of Sale	Includes Exempt and Taxable Amounts by State per Transaction Line Item	Numeric	15 including 2 decimals
7	Total Taxable Amount	Taxable Amount per Transaction Line Item	Numeric	15 including 2 decimals
8	Total Exempt Amount	Exempt Amount per Transaction Line item	Numeric	15 including 2 decimals
9	Total Tax Amount	Sum of all Jurisdictional tax amounts per Transaction Line Item	Numeric	15 including 2 decimals
10	Seller's SKU Number	Provide the SKU Number that identifies the seller's product	Alpha/Numeric	15
11	Seller's Description of the Item Sold	Provide the seller's invoice level description of item sold	Alpha/Numeric	65210
12	CSP/CAS SKU Number	Provide the SKU Number that the item sold was mapped to	Alpha/Numeric	15
13	CSP/CAS SKU Description for the Item Sold	Provide the CSP/CAS SKU description for the item sold	Alpha/Numeric	65210

14	Taxing Jurisdiction Code 1 (FIPS/GNIS/Composite/Name)	Taxing Jurisdiction Code used to report this transaction on the SER	Alpha/Numeric	100
15	Taxing Jurisdiction Code 2 (FIPS/GNIS/Name)	Taxing Jurisdiction Code used to report this transaction on the SER	Alpha/Numeric	100
16	Taxing Jurisdiction Code 3 (FIPS/GNIS/Name)	Taxing Jurisdiction Code used to report this transaction on the SER	Alpha/Numeric	100
17	Taxing Jurisdiction Code 4 (FIPS/GNIS/Name)	Taxing Jurisdiction Code used to report this transaction on the SER	Alpha/Numeric	100
18	Taxing Jurisdiction Code 5 (FIPS/GNIS/Name)	Taxing Jurisdiction Code used to report this transaction on the SER	Alpha/Numeric	100
19	Ship to Address1 **	Address line 1	Alpha/Numeric	40210
20	Ship to Address2 **	Address line 2	Alpha/Numeric	40210
21	Ship to City **	Name of city	Alpha	40
22	Ship to State **	2- Character State abbreviation	Alpha	2
23	Ship to Zip Code **	9 character zip code	Alpha/Numeric	9
24	Ship to Country **	3 character country abbreviation	Alpha	3
25	Exemption Type	(T) Taxable, (E) Entity, (P) Product	Alpha	1
26	State Where Exemption is Claimed	2- Character State abbreviation	Alpha	2
27	Name of Purchaser		Alpha	40
28	Type of Purchaser ID	"Tax ID", "FEIN", "DLN" or "FDN"	Alpha	6
29	Purchaser ID Number	This is the ID specified in field - Type of Purchaser ID	Alpha/Numeric	20

30	Purchaser Mailing Address		Alpha/Numeric	40210
31	Purchaser City		Alpha	40
32	Purchaser State	2- Character State abbreviation	Alpha	2
33	Purchaser Zip Code	9 character zip code	Alpha/Numeric	9
34	Purchaser Country	3 character country abbreviation	Alpha	3
35	Purchaser Business Type Number	2-digit number	Numeric	2
36	Purchaser Business Type Description	Must be completed if "Other" is selected as the Purchaser Business Type	Alpha	40
37	Purchaser Exemption Reason Code	Letter selected on exemption form	Alpha	1
38	Purchaser Exemption Reason Description	If Purchaser Exemption Reason Code is 'Other' - provide the standard description of the exemption	Alpha	40210
39	SER Filing Period	SER month represented by transaction (For example the Jan-dated transaction is reported on the Jan SER)	CCYYMM	6
40	Alternate Transaction Number	Seller Invoice Number if not recorded in Transaction Number field 3	Alpha/Numeric	40210
41	Optional Transaction Information	Optional field for use by CSP. Not optional field for states.	Alpha/Numeric	210

Additional Information: The “Seller’s Description of the Item Sold” shall be the seller’s invoice level description. Freight and discounts should be separate transaction line items.

** Field will contain address information as to where the item was shipped. If purchased over-the-counter the information will be the address where the item was sold.

The CSP will provide a Product Mapping Report when insufficient item sold information is passed from the Seller to the CSP. The file will include the Seller’s Identifying Code of Products Sold, the Seller’s Description of the Products, the CSP SKU Numbers to which the products were mapped and the CSP SKU Description.

The product mapping file will contain the following information:

Field	Field Name	Description	Format	Maximum Length
1	Seller SSTID	Seller SSTID	Alpha/Numeric	9
2	Beginning Effective Date	Century, Year, Month and Day	CCYYMMDD	8
3	Ending Effective Date	Century, Year, Month and Day	CCYYMMDD	8
4	Seller’s SKU Number	Provide the SKU Number that identifies the seller’s product	Alpha/Numeric	15
5	Seller’s Description of the Item Sold	Provide the seller’s invoice level description of item sold	Alpha/Numeric	65210
6	CSP/CAS SKU Number	Provide the SKU Number that the item sold was mapped to	Alpha/Numeric	15
7	CSP/CAS SKU Description for the Item Sold	Provide the CSP/CAS SKU description of item sold	Alpha/Numeric	65210

C. Appendix E of the SSTGB Rules relating to the certification process for CSPs and CASs was amended at the SSTGB meeting on October 7, 2014. The CSPs will have these changes in place by October 1, 2015.

Summary of amendment - These amendments amend Appendix E of the SSTGB Rules and requires the CSP to include the validated or scrubbed address used to determine the proper taxing jurisdiction in the results file and identifies the criteria for each of those fields.

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to the Governing Board Rules, Appendix E, Testing Process for Certification of Service Providers and Automated Systems.

Appendix E

Testing Process for Certification of Service Providers and Automated Systems

(Note: Only those sections that were changed are shown below.)

F. Test Deck Output.

Test Deck Output Transmission

- Test Decks submitted online: Upon completion of processing, the candidate, CSP, or CAS provider shall notify the state that the Test Deck Output files are available for retrieval on their online site. The testing state will download the data and compare the actual results with the expected results.

- Test Decks submitted Quarterly by TC: The CSP or CAS provider will send the Test Deck Output files to TC no later than 15 days prior to the beginning of the tested quarter. TC will send the file to the states to review. Any changes sent to the CSP or CAS after the 1st of the month will be individually tested with that state.

The resulting Test Deck Output files will consist of two files:

1. Results - Transaction records with jurisdiction and rate results
2. Errors – Transaction records with errors

File Names: Resulting Test Deck Output files will follow this naming convention:

014TD20100101R.csv
014TD20100101E.csv

First three digits will be the last three digits of the CSP or CAS SSTID, 'TD' indicates test deck, date (YYYYMMDD) test was completed. The last character is 'R' for results or 'E' for errors.

File Format: The Test Deck Output files will be in a comma delimited text format (.csv) with no header row. Do not embed any commas in any field.

Results File

Each row of the Results file shall contain the original uploaded data plus fields appended with the results.

Results file is now required to include your systems validated/scrubbed address. Within the results file, in numbers 86 through 91, provide the validated/scrubbed address results that were used with the state boundary files to determine the accurate taxing jurisdiction (FIPS code).

The Results file fields, format, record length, and required order are listed below.

Number	Field Name	Description	Format	Length
1	Date	Transaction date	YYYYMMDD	8
2	Record Number	Identifying number	Numeric	8
3	Seller SST ID	Seller SST ID	Alpha/Numeric	9
4	Seller Location ID	Seller Location ID	Alpha/Numeric	9
5	Seller State	State where seller is located	Alpha	2
6	Delivery Method	Is delivery in seller vehicle?	Y/N	1
7	Customer Entity Code	Is customer taxable?	T/E	1
8*	Order Received Address	Street name, number, or PO Box	Alpha/Numeric	40
9*	Order Received Suite	Suite, Apt, Lot	Alpha/Numeric	40
10*	Order Received City	Name of city	Alpha	40
11*	Order Received State	2 character state abbreviation	Alpha	2
12*	Order Received Zip Code	5 character zip code	Numeric	5
13*	Order Received Zip Plus	4 character zip extension	Numeric	4
14	Ship to Address	Street name, number, or PO Box	Alpha/Numeric	40
15	Ship to Suite	Suite, Apt, Lot	Alpha/Numeric	40
16	Ship to City	Name of city	Alpha	40
17	Ship to State	2 character state abbreviation	Alpha	2
18	Ship to Zip Code	5 character zip code	Numeric	5
19	Ship to Zip Plus	4 character zip extension	Numeric	4
20	Reference Number	Reference Number	Numeric	5

21	Total Sales Amount	Total amount of sale	Numeric	15 including 2 decimals
22	ResultType	0=good address used 2=address unknown, fallback to zip	Numeric	1
23	Taxability Code	Taxable/Non-taxable flag for item	Y/N	1
24	FIPS Jurisdiction Code 1	First FIPS Jurisdiction Code	Numeric	5
25	FIPS Tax Rate 1	First FIPS Tax Rate	Numeric	6 including 5 decimals
26	FIPS Tax Amount 1	Numeric value representing tax for first FIPS	Numeric	15 including 2 decimals
27	FIPS Jurisdiction Code 2	Second FIPS Jurisdiction Code	Numeric	5
28	FIPS Tax Rate 2	Second FIPS Tax Rate	Numeric	6 including 5 decimals
29	FIPS Tax Amount 2	Numeric value representing tax for second FIPS	Numeric	15 including 2 decimals
30	FIPS Jurisdiction Code 3	Third FIPS Jurisdiction Code	Numeric	5
31	FIPS Tax Rate 3	Third FIPS Tax Rate	Numeric	6 including 5 decimals
32	FIPS Tax Amount 3	Numeric value representing tax for third FIPS	Numeric	15 including 2 decimals
33	FIPS Jurisdiction Code 4	Fourth FIPS Jurisdiction Code	Numeric	5
34	FIPS Tax Rate 4	Fourth FIPS Tax Rate	Numeric	6 including 5 decimals
35	FIPS Tax Amount 4	Numeric value representing tax for fourth FIPS	Numeric	15 including 2 decimals
36	FIPS Jurisdiction Code 5	Fifth FIPS Jurisdiction Code	Numeric	5
37	FIPS Tax Rate 5	Fifth FIPS Tax Rate	Numeric	6 including 5 decimals
38	FIPS Tax Amount 5	Numeric value representing tax for fifth FIPS	Numeric	15 including 2 decimals
39	FIPS Jurisdiction Code 6	Sixth FIPS Jurisdiction Code	Numeric	5
40	FIPS Tax Rate 6	Sixth FIPS Tax Rate	Numeric	6 including 5 decimals
41	FIPS Tax Amount 6	Numeric value representing tax for sixth FIPS	Numeric	15 including 2 decimals
42	FIPS Jurisdiction Code 7	Seventh FIPS Jurisdiction Code	Numeric	5

43	FIPS Tax Rate 7	Seventh FIPS Tax Rate	Numeric	6 including 5 decimals
44	FIPS Tax Amount 7	Numeric value representing tax for seventh FIPS	Numeric	15 including 2 decimals
45	FIPS Jurisdiction Code 8	Eighth FIPS Jurisdiction Code	Numeric	5
46	FIPS Tax Rate 8	Eighth FIPS Tax Rate	Numeric	6 including 5 decimals
47	FIPS Tax Amount 8	Numeric value representing tax for eighth FIPS	Numeric	15 including 2 decimals
48	FIPS Jurisdiction Code 9	Ninth FIPS Jurisdiction Code	Numeric	5
49	FIPS Tax Rate 9	Ninth FIPS Tax Rate	Numeric	6 including 5 decimals
50	FIPS Tax Amount 9	Numeric value representing tax for ninth FIPS	Numeric	15 including 2 decimals
51	FIPS Jurisdiction Code 10	Tenth FIPS Jurisdiction Code	Numeric	5
52	FIPS Tax Rate 10	Tenth FIPS Tax Rate	Numeric	6 including 5 decimals
53	FIPS Tax Amount 10	Numeric value representing tax for tenth FIPS	Numeric	15 including 2 decimals
54	FIPS Jurisdiction Code 11	Eleventh FIPS Jurisdiction Code	Numeric	5
55	FIPS Tax Rate 11	Eleventh FIPS Tax Rate	Numeric	6 including 5 decimals
56	FIPS Tax Amount 11	Numeric value representing tax for eleventh FIPS	Numeric	15 including 2 decimals
57	FIPS Jurisdiction Code 12	Twelfth FIPS Jurisdiction Code	Numeric	5
58	FIPS Tax Rate 12	Twelfth FIPS Tax Rate	Numeric	6 including 5 decimals
59	FIPS Tax Amount 12	Numeric value representing tax for twelfth FIPS	Numeric	15 including 2 decimals
60	FIPS Jurisdiction Code 13	Thirteenth FIPS Jurisdiction Code	Numeric	5
61	FIPS Tax Rate 13	Thirteenth FIPS Tax Rate	Numeric	6 including 5 decimals
62	FIPS Tax Amount 13	Numeric value representing tax for thirteenth FIPS	Numeric	15 including 2 decimals
63	FIPS Jurisdiction Code 14	Fourteenth FIPS Jurisdiction Code	Numeric	5
64	FIPS Tax Rate 14	Fourteenth FIPS Tax Rate	Numeric	6 including 5 decimals

65	FIPS Tax Amount 14	Numeric value representing tax for fourteenth FIPS	Numeric	15 including 2 decimals
66	FIPS Jurisdiction Code 15	Fifteenth FIPS Jurisdiction Code	Numeric	5
67	FIPS Tax Rate 15	Fifteenth FIPS Tax Rate	Numeric	6 including 5 decimals
68	FIPS Tax Amount 15	Numeric value representing tax for fifteenth FIPS	Numeric	15 including 2 decimals
69	FIPS Jurisdiction Code 16	Sixteenth FIPS Jurisdiction Code	Numeric	5
70	FIPS Tax Rate 16	Sixteenth FIPS Tax Rate	Numeric	6 including 5 decimals
71	FIPS Tax Amount 16	Numeric value representing tax for sixteenth FIPS	Numeric	15 including 2 decimals
72	FIPS Jurisdiction Code 17	Seventeenth FIPS Jurisdiction Code	Numeric	5
73	FIPS Tax Rate 17	Seventeenth FIPS Tax Rate	Numeric	6 including 5 decimals
74	FIPS Tax Amount 17	Numeric value representing tax for seventeenth FIPS	Numeric	15 including 2 decimals
75	FIPS Jurisdiction Code 18	Eighteenth FIPS Jurisdiction Code	Numeric	5
76	FIPS Tax Rate 18	Eighteenth FIPS Tax Rate	Numeric	6 including 5 decimals
77	FIPS Tax Amount 18	Numeric value representing tax for eighteenth FIPS	Numeric	15 including 2 decimals
78	FIPS Jurisdiction Code 19	Nineteenth FIPS Jurisdiction Code	Numeric	5
79	FIPS Tax Rate 19	Nineteenth FIPS Tax Rate	Numeric	6 including 5 decimals
80	FIPS Tax Amount 19	Numeric value representing tax for nineteenth FIPS	Numeric	15 including 2 decimals
81	FIPS Jurisdiction Code 20	Twentieth FIPS Jurisdiction Code	Numeric	5
82	FIPS Tax Rate 20	Twentieth FIPS Tax Rate	Numeric	6 including 5 decimals
83	FIPS Tax Amount 20	Numeric value representing tax for twentieth FIPS	Numeric	15 including 2 decimals
84	Total Sales Amount	Numeric value representing total sales amount	Numeric	15 including 2 decimals
85	Total Tax Amount	Sum of FIPS tax amounts 1 - 20	Numeric	15 including 2 decimals

86	Address for Rate	Street name, number, or PO Box	Alpha/Numeric	40
87	Suite for Rate	Suite, Apt, Lot	Alpha/Numeric	40
88	City for Rate	Name of City	Alpha	40
89	State for Rate	2 character state abbreviation	Alpha	2
90	Zip Code for Rate	5 Digit zip code	Numeric	5
91	Zip Plus for Rate	4 Digit Zip Plus	Numeric	4

D. SSTGB Rule 806.1.2 (Finance Administration Policies) was amended at the SSTGB meeting on October 7, 2014.

Summary of amendment – The amendments made to Rule 806.1.2.I., L. and N. relate to the necessary approvals and documentation requirements for making electronic payments that are in excess of \$2,000. (**Note:** Only those section affected by the amendment are included below.)

A motion by Iowa to amend Governing Board Rule 806.1.2 (Sections I, L and N) relating to the necessary approvals and documentation for making electronic payments:

I. Policies on Disbursements

1. The Executive Director has (a) expenditure approval up to the parameters set by the annual operating budget as approved by the Board, and (b) single signature authority up to and including \$2,000 with the exception of the Executive Director’s personal expense reimbursement items and salary which must be approved by either the President or Secretary/Treasurer. The deliberate splitting of vouchers or invoices which have the sole purpose or effect of meeting the parameters of this authority is expressly prohibited.
2. Pre-numbered check requests should be used and sequences accounted for monthly.
3. The Executive Director approves check requests after comparing to supporting documentation. All disbursements paid by check will be printed on pre-numbered checks only with approved requests. The unsigned check, support and request are presented to authorized check signers for their signatures (information on checks is compared to support for accuracy). Blank or unprepared checks shall not be submitted for signature.
4. Two signatures by persons authorized in Paragraph 13 of this section are required on all organizational checks over \$2,000. The Executive Director shall not sign his or her own personal expense checks. If a payment in excess of \$2,000 is made electronically,

rather than by paper check, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The e-mails shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer.

5. All disbursements, except petty cash, are made by check or electronically and are accompanied by substantiating documentation. If the payment is made electronically, the written approval of such payment from the President or Secretary-Treasurer shall be maintained along with the copy of the invoice and electronic payment confirmation.

6. All checks are pre-numbered and accounted for monthly.

7. All voided checks must be defaced and retained either on the check stub or with the canceled checks (or their images) returned with the bank statement.

L. Cash Disbursement Procedures

1. All invoices received are stamped with the date received.

2. Approval from the Executive Director of all invoices and expenditures is required before payment can be made.

3. The checks, with support documentation (approved invoices, check requests), are forwarded to the Executive Director. The Executive Director reviews all checks and supporting documentation prior to signing checks. Any check for amounts over \$2,000 needs a second signature. If a payment in excess of \$2,000 is made electronically, rather than by paper check, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The written approval shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer.

4. After the checks are signed, the check request and all supporting documentation shall be stamped "PAID", noting check number and date. Two copies of each check and check request will then be made. One copy of the check, with supporting documentation attached, will be filed in numerical order. The second copy of the check and check request is filed by vendor, in alphabetical order. If the payment is made electronically, the written approval of such payment from the President or Secretary-Treasurer shall be maintained along with the copy of the invoice and electronic payment confirmation.

5. The cash disbursements journal will be prepared and maintained on a timely basis, using the check file.

The cash disbursements journal will be posted to the general ledger on a timely basis, using the cash disbursements journal.

N. Credit Card and Electronic Payment/Receipt Procedures

1. The Governing Board encourages the use of electronic record-keeping and electronic payments wherever such procedures can improve efficiency and reduce administrative costs of the organization.

2. The Executive Director may contract with an outside vendor for payroll services, collection of credit card receipts, automated clearing house (ACH) operations, and other electronic fund transfers. Electronic fund transfers will comply with ACH rules.

3. The Governing Board may authorize use of a credit card to be issued in the name of the Governing Board to facilitate purchases for official business of the Governing Board. Authorization for such purchases shall proceed according to procedures outlined in Section L above. Debit cards should not be issued to any employee or other representative of the Governing Board due to their lack of a proper audit trail. ATM withdrawals and cash advances should also be prohibited in the case of credit cards.

4. Wherever feasible, electronic receipts and payments will be recorded in a manner similar to other transactions as described in these rules. Exceptions to this must be justified by the Executive Director, and an alternative method must be approved by the Finance Committee. For electronic payments of \$2,000 or less, the Executive Director may authorize these payments and will maintain the electronic payment confirmation along with a copy of the invoice that was paid electronically. If a payment in excess of \$2,000 is made electronically, prior to the electronic payment being authorized, the Executive Director shall receive written approval from the President or Secretary-Treasurer authorizing the electronic payment. The written approval may be in the form of an e-mail sent directly to the Executive Director from the President or Secretary-Treasurer's e-mail address approving such payment. The written approval shall be maintained as evidence of approval for payment of the related invoice by the President or Secretary-Treasurer. In addition to the written approval of such payment from the President or Secretary-Treasurer the Executive Director shall also maintain a copy of the invoice and electronic payment confirmation.

5. Access to computer and other electronic systems which are used to perform electronic record keeping and fund transfers must be safeguarded in a manner consistent with Rule 806.1.4 (communications policies).

E. SSTGB Rule 902 (Interpretive Opinions of Agreement) was amended at the SSTGB meeting on October 7, 2014.

Summary of amendment – The amendment made to Rule 902 relates solely to expedited requests and allows the public comment period allowed by the Compliance Review and Interpretations Committee to be any period of time between 10 and 60 days. (**Note:** Only the section affected by the amendment is included below.)

Motion by North Dakota to amend Section H. of Rule 902 relating to expedited requests of interpretive opinions of the SSUTA:

Rule 902 – Interpretive Opinions of Agreement

H. Expedited Process. The time limitations in this rule may be shortened if the requestor asks for expedited consideration in its request. In that case, the notice to interested parties ~~shall~~may request written comments to be submitted within as few as 10 days. The Compliance Review and Interpretations Committee may meet any time after that minimum 10-day public comment period has expired.

F. Appendix A of SSTGB Rules (SST Certification of Certified Service Providers) was amended at the SSTGB meeting on May 15, 2014.

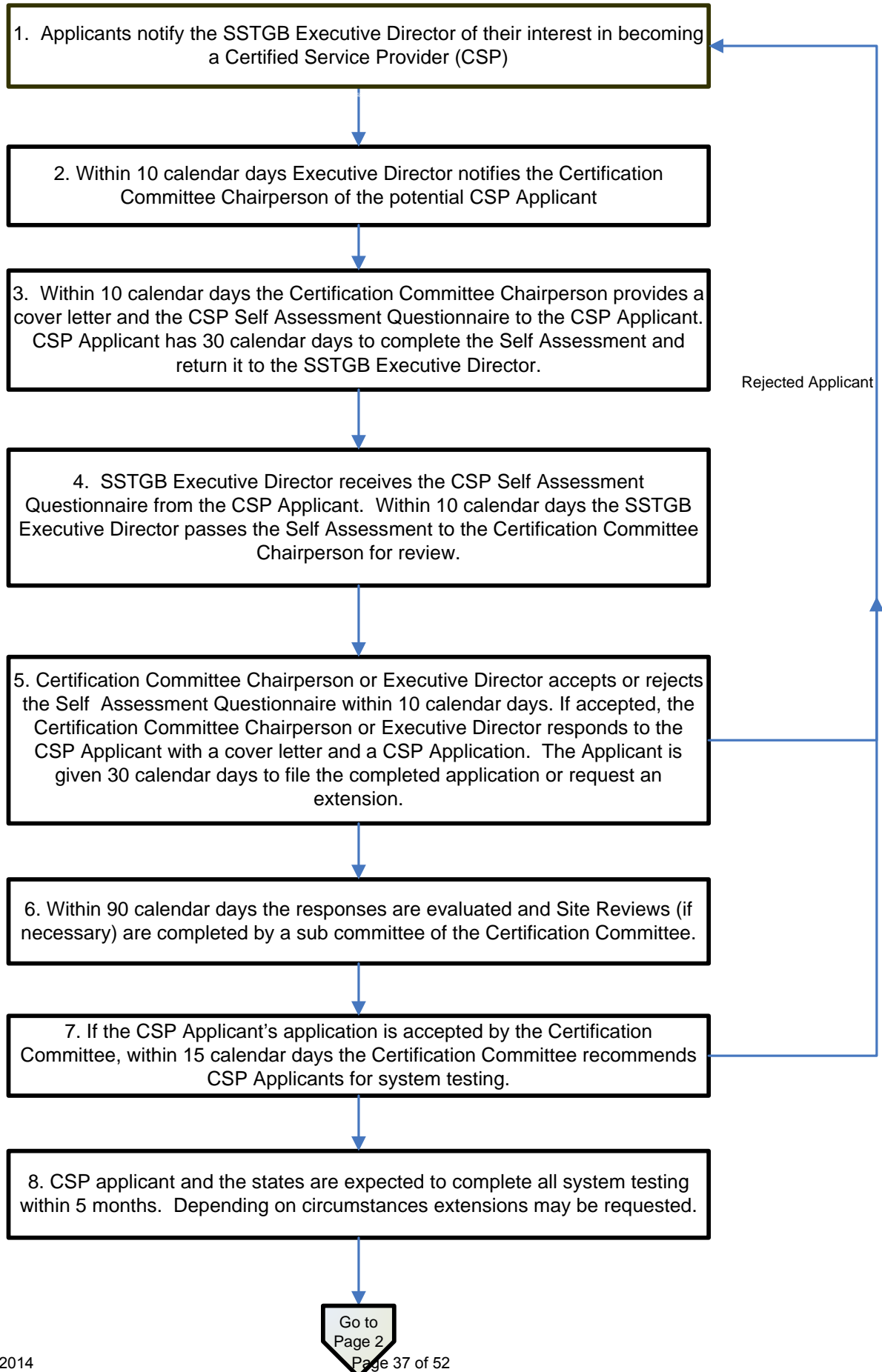
Summary of amendment – The amendment revises Appendix A so that it lays out a clear timeline for the certification process of certified service providers.

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to Appendix A of the SSTGB Rules regarding certification of service providers

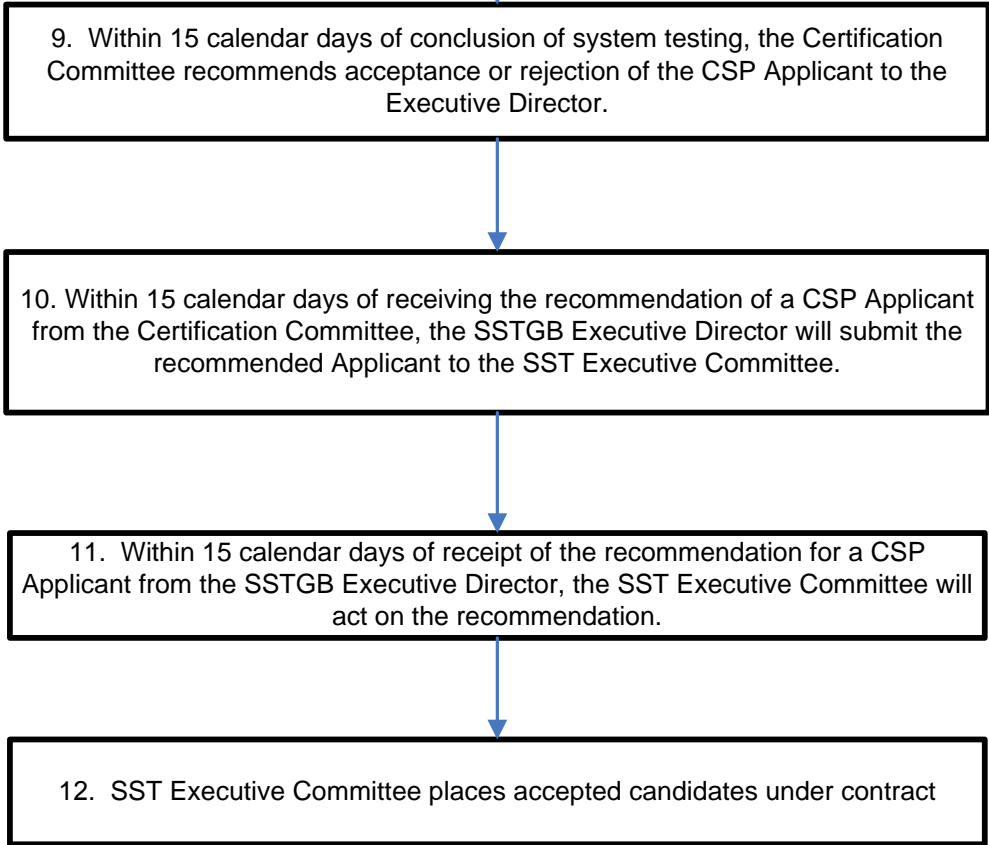
Revised 3/12/2014

SST Certification Process for Certified Service Providers

Appendix A



Page 2



G. Appendix C of SSTGB Rules (Minimum Standards for Certified Service Providers) was amended at the SSTGB meeting on December 19, 2014.

Summary of amendment – The amendment revises Appendix C to add the bulk registration requirements to the minimum standards a certified service provider must meet in order to be certified (only the new requirement is included below).

All new CAS Providers and CSPs must implement bulk registrations prior to certification. A new CAS Provider or CSP is an applicant that begins the certification process after December 19, 2014.

All existing CAS Providers and CSPs must implement bulk registrations effective July 1, 2015 if the CAS Provider or CSP has added a combined total of 10 or more new model 1 or model 2 accounts after January 1, 2015, but prior to July 1, 2015.

If the existing CAS Provider or CSP has not added 10 or more new model 1 or model 2 accounts prior to July 1, 2015, the existing CAS Provider or CSP has until the first day of the month following the month in which the 10th new model 1 or model 2 account is added to implement bulk registrations.

Regardless of the number of new accounts added, all existing CAS Providers and CSPs must implement bulk registrations no later than 90 days after federal legislation providing states remote seller collection authority is passed.

A motion by Kentucky, on behalf of the Certification Committee, to adopt changes to the Governing Board Rules, Appendix C, The Criteria and Minimum Standards for Certification

Appendix C (Update 12-19-2014)

D	Technical Approach	
16	<u>Applicant's system must be able to generate, transmit, and receive a bulk registration to and from the SST Central Registration system. Transmission must be accomplished using web service and in the format approved by TIGERS and the SST Governing Board.</u>	<u>This should be verified through the results from the system test process</u>

III. CRIC Interpretive Opinions

A. This interpretive opinion was adopted by the SSTGB on May 14, 2014. No state required to make a statutory change may be sanctioned for not following this interpretation until the later of January 1, 2017, or the first day of a calendar quarter following the end of one full session of the state's legislature.

Summary of Interpretation: This interpretation provides that take-n-bake pizzas as described in the facts provided are prepared food.

Interpretive Opinion 2013-3

This Interpretive Opinion recommendation is made to the Governing Board by the Compliance Review and Interpretations Committee this 17th day of October 2013 in accordance with Article IX, Rule 902 of the Rules and Procedures adopted by the Streamlined Sales Tax Governing Board, Inc.

Mr. David Steines of the Wisconsin Department of Revenue and Mr. Mike Herold of Clifton, Larson, Allen Company submitted the interpretation request on August 15, 2013.

Issue:

Do take and bake pizzas meet the definition of "prepared food" based on the following facts?

Facts:

- The seller of take and bake pizzas makes the pizzas on-site. They are not pre-made by someone other than the seller.
- Pizzas are not heated by the seller or sold in a heated state.
- No food is sold on the premises in a heated state.
- The seller creates the pizzas by adding sauces, cheeses, and toppings to a selected crust.
- Only the pizza dough is made on site. The meats, cheese and sauce are food products prepared and packaged by another business. The meats come pre-sliced and the cheese is shredded in the store.
- All meats used by the seller are pre-cooked by someone other than the seller.
- The crust used by the seller does not contain egg or raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration.
- It is not the seller's practice to provide utensils with the pizza. Utensils are not made available.
- No customer seating is available.
- Take and bake pizzas are not ready for immediate consumption as they require additional preparation as instructed by the seller.

- The pizzas are sold by size and not sold by weight or volume.
- The smallest pizza contains 8 servings.
- For food safety, it is recommended the pizzas be heated to over 140 degrees.
- The seller's NAICS classification is not manufacturing in sector 311.
- The requestor asserts that payments under the federal Supplemental Nutrition Assistance Program (previously known as “food stamps”) can be used to purchase the unbaked pizzas whereas other prepared food found in a deli or fast food restaurant or pizzerias are considered “food sold hot at point of sale” and not covered.

Mr. Steines requests a ruling that take and bake pizzas meet the definition of "prepared food." There is no exclusion from the definition of prepared food for additional preparation required by the purchaser. The take and bake pizza does not require cooking per the food code since it contains no egg or raw meat or seafood.

Mr. Herold requests a ruling that take and bake pizzas do not meet the definition of “prepared food.” Mr. Herold states meat, cheese, fruit and vegetable trays are currently exempt from the definition of prepared food and require a number of similar tasks found in making unbaked pizzas. The food trays require slicing, shredding, peeling, assembly and packaging. Cheese and meats, fruits and vegetables might be combined on a platter along with sauces or dips– possibly prepared by the store or not – and sold as a single product. This process is similar to making a take and bake pizza. However, the platters are ready for immediate consumption, but the consumer must still bake the pizza.

The Committee’s discussion did not address whether fruit and vegetable trays are prepared food. However, it was indicated that regardless such fruit and vegetable trays are not comparable because the components of these trays remain physically distinct within the tray at the time of sale whereas the components of the take and bake pizzas are combined to form a physically integrated product.

Public Comment:

Numerous public comments were received from sellers and consumers of take and bake pizzas in support of Mr. Herold’s position that these pizzas are not “prepared food.” Most of the public comments pointed out that the take and bake pizzas could be purchased with EBT cards/food stamps and also had dough that needed to be cooked by the consumer before eating.

The Minnesota Department of Revenue responded that take and bake pizzas would meet the definition of prepared food; however, Minnesota’s position goes beyond the plain language of the definition and does not impose tax on food that otherwise meets the definition of “prepared food” if it is not ready to eat at the time of sale. Even though the seller may have heated the food at some time or may have mixed or combined two or more food ingredients to make the food, a take and bake pizza is only partially cooked and needs to be fully cooked to be eaten and is therefore not ready-to-eat at the time of

sale.

The Kentucky Department of Revenue provided written testimony supporting Mr. Steines' position. The testimony stated take and bake pizzas do meet the definition of prepared food because the seller combines two or more ingredients together as one product, the pizzas do not require additional cooking under the Food and Drug Administration code, and use of food stamps have no impact on the definition of prepared food.

Recommendation:

By a vote of six to one, the Compliance Review and Interpretations Committee submits to the Governing Board a recommendation that the take and bake pizzas as specifically described in this request meet the definition of "prepared food." The take and bake pizzas are two or more ingredients mixed or combined by the seller for sale as a single item and there is no exclusion in the definition of "prepared food" that would remove these take and bake pizzas from that definition.

Rationale:

The SSUTA, Appendix C, Library of Definitions, defines "prepared food" as:

- A. Food sold in a heated state or heated by the seller;
- B. Two or more food ingredients mixed or combined by the seller for sale as a single item; or
- C. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.

"Prepared food" in B does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

Based on the above definition and the facts provided, the take and bake pizzas clearly fall within the definition of "prepared food." These pizzas are the product of two or more ingredients mixed or combined by the seller for sale as a single item. The take and bake pizzas do not contain eggs, fish, meat, poultry, or foods containing these raw animal foods requiring cooking under the Food and Drug Administration's Food Code. The fact that the pizzas are taken home for baking before consumption does not alter the classification as "prepared food" since there is no exclusion from the definition of "prepared food" for items requiring additional preparation by the purchaser. The fact

that take and bake pizza may qualify for purchase with federal food stamps is not a factor in determining whether the pizzas meet the definition of “prepared food.” The take and bake pizzas meet the definition of “prepared food” and do not meet the criteria for any of the exclusions provided.

Participating Committee Members:

Myles Vosberg, Tom Atchley, Richard Cram, Larry Paxton, Harry Fox, and Tim Jennrich supported this recommendation. Dan Noble did not support this recommendation.

A motion by Nebraska and South Dakota to adopt the best practices and corresponding best practices matrix under Sections 328 and 335 of the SSUTA relating to credits.

STATE NAME: _____

**Streamlined Sales Tax Governing Board
Section 328 Best Practices Matrix**

Effective Date:

Completed by:

E-mail address:

Phone number:

Date Submitted:

A-The “best practices” have been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified in the chart below pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through October 30, 2013.

Place an “X” in the appropriate column to indicate whether the practice does or does not apply in your state.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your state follows, place an “X” in the “Yes” column and enter the statute or rule that applies to your state’s treatment of this “best practice” in the References column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your state does not follow, place an “X” in the “No” column and describe in the “Comments” column your state’s credit practice in this area.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state in the best practices matrix.

Conformance to a “best practice” by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a best practice adopted by the Governing Board.

Use of the term “State” in each practice refers to the state completing the Matrix.

<p align="center"><u>Best Practice from Appendix E</u></p>	<p align="center"><u>Brief Description of Best Practice</u></p>	<p align="center"><u>For each section, place an “X” in the YES column for the Practice your State follows. Place an “X” in the NO column if the practice does not apply in your State.</u></p>		<p align="center"><u>For sections with only NO responses, describe your State’s tax treatment. Additional comments may be added for any response.</u></p>	
		<p align="center"><u>Yes</u></p>	<p align="center"><u>No</u></p>	<p align="center"><u>References: Statute, Rule, Cite</u></p>	<p align="center"><u>Comments</u></p>
<p><u>Definition</u></p>	<p><u>“Tax Paid”</u> <u>means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state’s sourcing rules. “Tax paid” includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. “Tax paid” does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement</u></p>				

Best Practice 2 - Credits

<p><u>Credits 2.1</u></p>	<p><u>2.1 Credit Against Use Tax</u></p> <p><u>The State imposing tax on the purchaser provides credit for “sales or use taxes paid” on a product against the State’s use tax.</u></p>				
<p><u>Credits 2.2</u></p>	<p><u>2.2 Credit Against Sales Tax</u></p> <p><u>The State imposing tax provides credit for the “sales or use taxes paid” on a product against the State’s sales tax.</u></p>				
<p><u>Credits 2.3.a.</u></p>	<p><u>2.3 Reciprocity</u></p> <p><u>2.3.a. The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.</u></p>				
<p><u>Credits 2.3.b.</u></p>	<p><u>2.3.b. The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.</u></p>				
<p><u>Credits 2.4.a.</u></p>	<p><u>2.4 State and Local Sales Use “Tax Paid”</u></p> <p><u>2.4.a. The credit provided for in 2.1 and 2.2 is for the combined amount of state and local “tax paid” to another state or local jurisdiction against both the state and local taxes due to the State.</u></p>				

<p><u>Credits 2.4.b.</u></p>	<p><u>2.4.b. The credit provided for in 2.1 and 2.2 is for only the state “tax paid” to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.</u></p>				
<p><u>Credits 2.5</u></p>	<p><u>2.5 Credit for “Similar Tax” Paid to Another Jurisdiction</u></p> <p><u>The credit provided for in 2.1 and 2.2 includes “similar taxes” that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due.</u></p> <p><u>List all known similar or like taxes the state provides credit for even if such tax does not meet the definition of a “similar tax.”</u></p> <p><u>a.</u></p> <p><u>b.</u></p> <p><u>c.</u></p>				
<p><u>Credits 2.6</u></p>	<p><u>2.6. Credit Against “Similar Tax” Imposed by the State</u></p> <p><u>The credit provided for in 2.1 and 2.2 includes “sales or use taxes paid” to another state or local jurisdiction against “similar taxes” due.</u></p>				

	<p><u>List “similar taxes” imposed that the state provides credits against.</u></p> <p>a. b. c.</p>				
<u>Credits 2.7</u>	<p><u>2.7 Sourcing when Receipt Location is Known</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies when the other state’s “sales or use taxes” were (1) paid and (2) previously due based on: i) that other state’s sourcing rules, or ii) the purchaser’s location of use of a product subsequent to the initial sale.</u></p>				
<u>Credits 2.8</u>	<p><u>2.8 Sourcing when Receipt Location is Unknown</u></p> <p><u>Except as provided in Best Practice 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.</u></p>				

<p><u>Credits 2.9</u></p>	<p><u>2.9 Characterization of Sale</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies regardless of the other state’s characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.</u></p>				
<p><u>Credits 2.10.a.</u></p>	<p><u>2.10 Sales Price Components</u></p> <p><u>2.10.a. Full Credit Allowed.</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA “sales price” definition, whether taxable or nontaxable in the State.</u></p>				
<p><u>Credits 2.10.b.</u></p>	<p><u>2.10.b. Partial Credit Allowed</u></p> <p><u>When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the “tax paid” on the taxable components of the sales price in the State.</u></p>				

<p><u>Credits</u> <u>2.11.a.</u></p>	<p><u>2.11 Transactions with Taxable and Exempt Products</u></p> <p><u>2.11.a. Full Credit Allowed</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies to the full amount of “tax paid” on a transaction consisting of taxable and exempt products.</u></p>				
<p><u>Credits</u> <u>2.11.b.</u></p>	<p><u>2.11.b. Partial Credit Allowed.</u></p> <p><u>When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the “tax paid” on the taxable products of a transaction in the State.</u></p>				
<p><u>Credits</u> <u>2.12</u></p>	<p><u>2.12 Audit Sampling</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.</u></p>				

<p><u>Credits 2.13</u></p>	<p><u>2.13 Direct Mail</u></p> <p><u>The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.</u></p>				
<p><u>Credits 2,14</u></p>	<p><u>2.14 Accelerated Payments on Lease/Rentals</u></p> <p><u>The credit provided for in 2.1 and 2.2 includes the “tax paid” to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments (“accelerated basis”), against the “sales or use taxes” due on the balance of the lease/rental payments.</u></p>				
<p><u>Credits 2.15</u></p>	<p><u>2.15 Inception-Deferred Collection on Lease/Rentals</u></p> <p><u>The credit provided for in 2.1 and 2.2 includes the “tax paid” to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method</u></p>				

	<u>against the “sales or use taxes” due on the balance of the lease/rental payments.</u>				
<u>Credits 2.16</u>	<p><u>2.16 Lessor Acquisition.</u></p> <p><u>The credit provided for in 2.1 and 2.2 includes the “tax paid” by the lessor to another state or local jurisdiction on the acquisition of the product against the “sales or use taxes” due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.</u></p>				