



# Streamlined Sales Tax Update

Loren Chumley  
Tennessee Department of Revenue

Scott Peterson  
South Dakota Department of Revenue


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## SST Project States (44)



Alabama	Maine	Oklahoma
Arizona	Maryland	Pennsylvania
Arkansas	Massachusetts	Rhode Island
California	Michigan	South Carolina
Connecticut	Minnesota	South Dakota
District of Columbia	Mississippi	Tennessee
Florida	Missouri	Texas
Georgia	Nebraska	Utah
Hawaii	Nevada	Vermont
Illinois	New Jersey	Virginia
Indiana	New Mexico	Washington
Iowa	New York	West Virginia
Kansas	North Carolina	Wisconsin
Kentucky	North Dakota	Wyoming
Louisiana	Ohio	

## SST Implementing States (41)



Alabama	Maine	Oklahoma
Arizona	Massachusetts	Rhode Island
Arkansas	Michigan	South Carolina
California	Minnesota	South Dakota
District of Columbia	Mississippi	Tennessee
Florida	Missouri	Texas
Georgia	Nebraska	Utah
Hawaii	Nevada	Vermont
Illinois	New Jersey	Virginia
Indiana	New Mexico	Washington
Iowa	New York	West Virginia
Kansas	North Carolina	Wisconsin
Kentucky	North Dakota	Wyoming
Louisiana	Ohio	

## SST Conforming States Committee (19)



Arkansas	Minnesota	Oklahoma
Indiana	Nebraska	South Dakota
Iowa	Nevada	Tennessee
Kansas	North Carolina	Utah
Kentucky	North Dakota	Vermont
Michigan	Ohio	West Virginia
		Wyoming

**The Conforming States Committee is charged with laying the groundwork for operational implementation of the Agreement once the terms of the Agreement become effective**

**Members of the Conforming States Committee were judged by the co-chairs of the Implementing States, "at a high level" to be in conformance with the Agreement**

## Chart of Petitioning States

	State	Population		Effective Dates	Percentage of Population
1	AR	2,673,400		7/1/2007	0.97
2	IN	6,080,485		1/1/2004	2.22
3	IA	2,926,324		7/1/2004	1.07
4	KS	2,688,418		7/1/2003	0.98
5	KY	4,041,769		7/1/2004	1.47
6	MI	9,938,444		9/1/2004	3.62
7	MN	4,919,479		7/1/2005	1.79
8	NE	1,711,263		1/1/2004	0.62
9	NJ	8,414,350		Proposed 7/1/2005	3.06
10	NC	8,049,313		1/1/2004	2.93

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## Chart of Petitioning States

	State	Population		Effective Dates	Percentage By 7/1/05
11	ND	642,200		10/1/2005	0.23
12	OH	11,353,140		1/1/2005	4.14
13	OK	3,450,654		11/1/2003	1.26
14	SD	754,844		1/1/2004	0.28
15	TN	5,689,283		7/1/2007	2.07
16	UT	2,233,169		7/1/2006	0.81
17	WV	1,808,344		01/01/04	0.66
18	WI	5,363,675		Proposed 10/1/2005	1.95
19	WY	493,782		01/12/04	0.18

**Note: Vermont and Nevada are members of the Conforming States Committee that have not filed a Petition for Membership as of 6/1/2005**

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## Effective Date of Agreement

- Effective when at least 10 states with 20% of population levying sales tax found in compliance
  - Population is determined by the 2000 Federal census
    - Total population of Sales Tax States plus D.C. = 274,451,991
    - Twenty Percent Threshold = 54,890,399
  
- Effective on first day of calendar quarter at least 60 days after 10th state found in compliance
  - TARGET: **OCTOBER 1, 2005**



## Associate Membership Amendment

- April 16, 2005 meeting of Implementing States produced a series of amendments to the Agreement
- Associate Membership amendment adopted
- Population of Associate Member States counted as part of 20% for purposes of effectuating Agreement



## Associate Member Requirements

- Petitioning state not in compliance with the Agreement may be Associate Member if:
  - the changes to their statutes, rules, regulations or other authorities necessary for compliance are scheduled to take effect on or before January 1, 2008;
  - a majority of the Petitioning states find that the state has achieved substantial compliance with the terms of the Agreement taken as a whole, but not necessarily each provision as required by Section 805, and there is a reasonable expectation that the state will achieve compliance by January 1, 2008.
- No state may be an Associate Member after December 31, 2007



## Associate Member Requirements

- Associate Members may not require businesses volunteering to register with the Governing Board to collect sales tax in their state or share Governing State's registration or audit information
- Associate Members must provide amnesty from date of becoming an Associate Member until 12 months after becoming a full member

## Timeline

- July 1, 2005 vote by petitioning states
  - Full Members
  - Associate Members
- Nominating Committee –
  - Conforming States Committee puts forth slate of 4 officers and 5 directors to serve on Executive Committee for consideration at inaugural meeting of Governing Board
- Determine location of principal offices of Governing Board
- File articles of incorporation
- Commence search for Executive Director
- Contract with software providers
- Central Registration System Go Live

## Central Registration System

- The purpose of the Streamlined Sales Tax Registration System (SSTR) is to implement a web-based system that will enable taxpayers to volunteer to register to participate in Streamlined Sales Tax.
- Taxpayers can use SSTR for both new voluntary registrations and updates to previously submitted registration information.
- This system is a pass-through system in that the states will incorporate the data into their state system.
- Updates to taxpayer information can be submitted by taxpayers using SSTR.
- SSTR will maintain all taxpayer information for specific business processes.
- The SSTR is web based and a relational database will be used as a back-end for the storage and retrieval of the data thus providing dynamic information anytime, anywhere.
- An XML file schema will be used to exchange data between the SSTR system and the states.



## Central Registration System

- Issued RFP in Spring 2005.
- Received 9 responses to RFP.
- Contracted with TaxWatch from Louisiana.
- A committee of states along with FTA has been appointed to work with TaxWatch. They are Jonathan Lyon, FTS, Tim Blevins, KS, Terry Garber, SC, Stephanie Weber, MN, Debbie Peterson, TX, Jane Page, SD and Scott Peterson, SD.
- Weekly conference calls have been set up with TaxWatch and the committee to monitor the progress and make decisions.



## Certified Service Providers

- Issued RFP in the fall of 2004.
- Received 12 responses to the RFP.
- An evaluation team narrowed the list to 7.
- In March 2005 a new evaluation team began developing the certification criteria, timetable, and strategy.



## Certified Service Provider Candidates

- Avalera
- EDS (with Vertex and Microsoft)
- Exactor (with Sabrix)
- Taxware
- Sales Tax Services
- Salis
- Paychex



## Certified Service Providers

- An evaluation team of 32 people from 20 states and the Multistate Tax Commission.
- The team includes policy, audit and computer experts.
- Each company was required to complete a security self-assessment guide.
- Each company receives at least one on-site visit by the team.
- The on-site visits started the week of June 1 and will end the middle of July.
- The states must put together a collection of sample transactions that will be run through each company's system.



## State Databases

- Database matching rate to local jurisdiction
- Database of boundary information for local jurisdictions
- Taxability matrix



## Technology Implementation Challenges:

- State development of databases.
- State interfaces with central registration system.
- Continued testing of CSP systems to maintain certification.
- Continue certification of new CSP candidates.



# **Questions?**

[www.streamlinedsalestax.org](http://www.streamlinedsalestax.org)

**loren.chumley@state.tn.us**  
**scott.peterson@state.sd.us**