

An amendment to the various sections of the Agreement by Kentucky and Nebraska to allow sellers to select which states they want to register in by utilizing the central registration system provided under this Agreement.

Section 102: FUNDAMENTAL PURPOSE

It is the purpose of this Agreement to simplify and modernize sales and use tax administration in the member states in order to substantially reduce the burden of tax compliance. The Agreement focuses on improving sales and use tax administration systems for all sellers and for all types of commerce through all of the following:

- A. State level administration of sales and use tax collections.
- B. Uniformity in the state and local tax bases.
- C. Uniformity of major tax base definitions.
- D. Central, electronic registration system ~~for all member states~~.
- E. Simplification of state and local tax rates.
- F. Uniform sourcing rules for all taxable transactions.
- G. Simplified administration of exemptions.
- H. Simplified tax returns.
- I. Simplification of tax remittances.
- J. Protection of consumer privacy.

Section 203: CERTIFIED SERVICE PROVIDER (CSP)

An agent certified under the Agreement to perform ~~all~~ the seller's sales and use tax functions as outlined in the contract between the Streamlined Sales Tax Governing Board and the Certified Service Provider, other than the seller's obligation to remit tax on its own purchases.

Section 205: MODEL 1 SELLER

A seller registered under the Agreement that has selected a CSP as its agent to perform ~~all~~ the seller's sales and use tax functions as outlined in the contract between the Streamlined Sales Tax Governing Board and the Certified Service Provider, other than the seller's obligation to remit tax on its own purchases.

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Section 211: REGISTERED UNDER THIS AGREEMENT

Registration by a seller ~~with the member states~~ under the central registration system provided in Article IV of this Agreement.

Section 303: SELLER REGISTRATION

Each member state shall participate in an online sales and use tax registration system in cooperation with the other member states. Under this system:

- ~~A.~~ A. A seller registering under the Agreement may register in one or more~~shall be registered in each~~ of the ~~member~~ states utilizing the central registration system provided in Article IV of this Agreement.
- ~~B.~~ B. A certified service provider may require a seller registering under the Agreement, as a condition of receiving CSP services, to register in all of the full member states.
- ~~A.~~ A. ~~A model 2, model 3, or model 4 seller may elect to be registered in one or more states as a seller which anticipates making no sales into such state(s) if it has not had sales into such state(s) for the preceding 12 months. Such election does not relieve the seller of its agreement pursuant to Section 401 (B) to collect taxes on all sales into such states or its liability for remitting to the proper states any taxes collected.~~
- ~~B.C.~~ B.C. The member states agree not to require the payment of any registration fees or other charges for a seller ~~to register~~ing through the central registration system in a state in which the seller has no legal requirement to register.
- ~~C.D.~~ C.D. A written signature from the seller is not required.
- ~~D.E.~~ D.E. An agent may register a seller under uniform procedures adopted by the member states.
- ~~E.F.~~ E.F. A seller may cancel its registration under the system at any time under uniform procedures adopted by the Governing Board. Cancellation does not relieve the seller of its liability for remitting to the proper states any taxes collected.
- ~~F.G.~~ F.G. Nothing in this section shall be construed to relieve a seller of any legal obligation it may have under a state's laws to register in that state or its obligation to collect and remit taxes for at least thirty-six months in a state and meet all other requirements for amnesty set out in Section 402 of this Agreement in order to be eligible for amnesty in such state.

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~~G.~~ Whenever a state joins the Agreement, sellers already registered under the Agreement shall be notified by the Governing Board and may elect to be registered in that state registered in the new state as follows:

- ~~1. Model 1 sellers will be automatically registered in such state.~~
- ~~2. Model 2, model 3 and model 4 sellers will be automatically registered in the new state but may elect to be registered as a seller which anticipates making no sales into the new state.~~

~~H.~~ ~~I.~~

~~Upon registration,~~ ~~†~~The Governing Board shall ~~provide~~ make to the seller information available regarding the requirements and options for filing a simplified electronic return and for filing remittances in any member state. ~~A m~~Member states may provide information to sellers concerning other tax return filing options in that state.

~~I.~~ ~~J.~~

~~The~~ Governing Board shall cause the system for registering under the Agreement to include a feature that allows sellers registered under the Agreement to update relevant registration data in the system and have such updated data provided to all ~~member~~ affected states utilizing the system. The Governing Board shall establish conditions and procedures to allow states which are not members of the Agreement to participate in the registration system.

~~J.~~ ~~K.~~ ~~The provisions of Subsections (B) and (H) of this section shall become effective on January 1, 2010.~~

See Compiler's Notes for history.

Section 318: UNIFORM TAX RETURNS

Each member state shall:

- A. Require that only a single tax return for each taxing period for each seller be filed for the member state to include all the taxing jurisdictions within the member state.
- B.

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1. Require that returns be due no sooner than the twentieth day of the month following the month in which the transaction occurred.
 2. When the due date for a return falls on a Saturday or Sunday or legal holiday in the subject member state, the return shall be due on the next succeeding business day. If the return is filed in conjunction with a remittance and the remittance cannot be made pursuant to Section 319.E.2, the return shall be accepted as timely filed on the same day as the remittance under that subsection.
- C. Make available to all sellers, whether or not registered under the Agreement, except sellers of products qualifying for exclusion from the provisions of Section 308 of this Agreement, a simplified return that is filed electronically as follows:
1. The simplified electronic return (hereinafter SER) shall be in a form approved by the Governing Board and shall contain only those fields approved by the Governing Board. The SER shall contain two parts. Part 1 shall contain information relating to remittances and allocations and part 2 shall contain information relating to exempt sales.
 2. Each member state must notify the Governing Board if it requires the submission of the part 2 information. Provided, no state may require the submission of part 2 information from a model 4 seller which has no legal requirement to register in such state.
 3. Returns shall be required as follows;
 - a. Certified service providers must file a SER in all member states in which the model 1 seller is registered under the Agreement, on behalf of model 1 sellers. Certified service providers, on behalf of such sellers, shall file the audit reports provided for in Article V of the Governing Board's rules and procedures for such states, and in addition, shall be required to file part 1 of the SER each month for each member state in which the model 1 seller is registered under the Agreement. A state shall allow a model 1 seller to file both part 1 and the part 2 of the SER. A model 1 seller which chooses to file

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both part 1 and the part 2 of the SER shall still be required to file the audit reports provided for in Article V of the Governing Board's rules and procedures.

- b. Model 2 and model 3 sellers must file a SER in all member states in which they are registered under the Agreement~~other than states for which they have indicated that they anticipate making no sales~~. Such sellers shall file part 1 of the SER every month for all states in which they are registered under the Agreement~~anticipate making sales~~. Such sellers ~~need not file part 2 information until January 1, 2012. After such date they~~ shall have the following options for meeting their obligation to furnish part 2 information:

- i) File part 2 of the SER together with part 1 of the SER every month; or
- ii) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed pursuant to this option shall cover the month of December and all previous months of the same calendar year and shall only require annual and not monthly totals.

Such sellers shall only be required to file part 2 of the SER for any state which has notified the Governing Board that it will require the submission of the part 2 information pursuant to paragraph 2 of this subsection.

- c. ~~No later than January 1, 2011, e~~Every member state shall allow model 4 sellers to file a SER. Such sellers shall file part 1 of the SER every month unless a state allows less frequent filing. Model 4 sellers which have a legal requirement to register in such state shall have the following options for meeting their obligation to furnish part 2 information:

- i) File part 2 of the SER together with part 1 of the SER; or
- ii) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed pursuant to this

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option shall cover the months of December and all previous months of the same calendar year and shall only require annual and not monthly totals.

Such sellers shall only be required to file part 2 of the SER for any state which has notified the Governing Board that it will require the submission of the part 2 information pursuant to paragraph (2) of this subsection. Model 4 sellers which elect not to file a SER shall file returns in the form and pursuant to schedules afforded to sellers not registered under the Agreement according to the requirements of each member state.

- d. ~~No later than January 1, 2013 e~~Every member state shall allow sellers not registered under the Agreement that are registered in the state to file a SER. Such sellers shall file part 1 of the SER every month unless a state allows less frequent filing and shall have the following options for meeting their obligation to furnish part 2 information:

- i) File part 2 of the SER together with part 1 of the SER; or
- ii) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed pursuant to this option shall cover the month of December and all previous months of the same calendar year and shall only require annual and not monthly totals.

Such sellers shall only be required to file part 2 of the SER for any state which has notified the Governing Board that it will require the submission of the part 2 information pursuant to paragraph (2) of this subsection.

4. A state which requires the submission of part 2 information pursuant to paragraph (2) of this subsection may provide an exemption from this requirement to a seller under terms and conditions set out by the state.

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5. A state may require a seller which elects to file a SER to give at least three months notice of the seller's intent to discontinue filing a SER.

~~D. Not after January 1, 2010 require the filing of a return from a seller that is registered under the Agreement which has indicated at the time of registration that it anticipates making no sales which would be sourced to the state under the Agreement. A seller shall lose such exemption upon making any taxable sales into such state and shall file a return in the month following such sale. A state may, but is not required to, allow a seller to regain such filing exemption upon such terms and condition as the state may impose.~~

E.D. Adopt web services as the standardized transmission process that allows for receipt of uniform tax returns and other formatted information as approved by the Governing Board. Such a process will provide for the filing of separate returns for multiple legal entities in a single transmission for each state and will not include any requirement for manual entry or input by the seller of any of the aforementioned information. This process will allow a certified service provider, a tax preparer, or any other person authorized to do so, to file returns for more than one seller in a single electronic transmission. However, sellers filing returns for multiple legal entities may only do so for affiliated legal entities. States shall comply with this provision by January 1, 2019.

~~F.E. After January 1, 2010 g~~Give notice to a seller registered under this Agreement which has no legal requirement to register in the state, or a failure to file a required return and a minimum of thirty days to file thereafter prior to establishing a liability amount for taxes based solely on the seller's failure to timely file a return. Provided, a member state may establish a liability amount for taxes based solely on the seller's failure to timely file a return if such seller has a history of non-filing or late filing.

~~G.F.~~ Nothing in this section shall prohibit a state from allowing additional return options or the filing of returns less frequently.

See Compiler's Notes for history.

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ARTICLE IV
SELLER REGISTRATION

Section 401: SELLER PARTICIPATION

- A. The member states shall provide an online registration system that will allow sellers to register in all the member states and other states electing to utilize the registration system.
- B. By registering, the seller agrees to collect and remit sales and use taxes for all taxable sales into the ~~member~~-states in which the seller elected to register, including member states joining after the seller's registration. Withdrawal or revocation of a ~~member~~ state shall not relieve a seller of its responsibility to remit taxes previously or subsequently collected on behalf of the state.
- C. In ~~member~~-states where the seller has a requirement to register prior to registering under the Agreement, the seller may be required to provide additional information to complete the registration process or the seller may choose to register directly with those states.
- D. A member state or a state that has withdrawn or been expelled shall not use registration with the central registration system and the collection of sales and use taxes in the member states as a factor in determining whether the seller has nexus with that state for any tax at any time.

Section 403: METHOD OF REMITTANCE

~~When registering, t~~The seller may select use one of the following methods of remittances or other method allowed by state law to remit the taxes collected:

- A. MODEL 1, wherein a seller selects contracts with a CSP as an agent to perform all the seller's sales or use tax functions outlined in the contract between the Streamlined Sales Tax Governing Board and the Certified Service Provider.
- B. MODEL 2, wherein a seller selects contracts to use a CAS ~~to use~~ which calculates the amount of tax due on a transaction.
- C. MODEL 3, wherein a seller utilizes its own proprietary automated sales tax system that has been certified as a CAS.

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Section 404: REGISTRATION BY AN AGENT

A seller may be registered by an agent. Such appointment shall be in writing and submitted to a ~~member~~ state if requested by thate ~~member~~ state.