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CHAMBER ACTION

<u>Senate</u>   <u>House</u>

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11 The Committee on Government Efficiency Appropriations

12 (Campbell) recommended the following amendment:

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14   **Senate Amendment (with title amendment)**

15   On page 8, line 7, through page 9, line 20, delete

16 those lines

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18 and insert:

19   (37) "Model 1 seller" means a seller that has selected

20 a certified service provider as its agent to perform all the

21 seller's sales and use tax functions other than the seller's

22 obligation to remit tax on its own purchases.

23   (38) "Model 2 seller" means a seller that has selected

24 a certified automated system to perform part of its sales and

25 use tax functions, but retains responsibility for remitting

26 the tax.

27   (39) "Model 3 seller" means a seller that has sales in

28 at least five member states, has total annual sales revenues

29 of at least $500 million, has a proprietary system that

30 calculates the amount of tax due each jurisdiction, and has

31 entered into a performance agreement with the member states

1 which establishes a tax performance standard for the seller.

2 As used in this section, a seller includes an affiliated group

3 of sellers using the same proprietary system.

4   (40) "Certified service provider" means an agent

5 certified under the Streamlined Sales and Use Tax Agreement to

6 perform all of the seller's sales tax functions, other than

7 the seller's obligation to remit tax on its own purchases.

8   (41) "Direct mail" means printed material delivered or

9 distributed by United States mail or other delivery service to

10 a mass audience or to addressees on a mailing list provided by

11 the purchaser or at the direction of the purchaser when the

12 cost of the items is not billed directly to the recipients.

13 The term includes tangible personal property supplied directly

14 or indirectly by the purchaser to the direct mail seller for

15 inclusion in the package containing the printed material. The

16 term does not include multiple items of printed material

17 delivered to a single address.

18   (42) "Prewritten computer software" means computer

19 software, including prewritten upgrades, which is not designed

20 and developed by the author or other creator to the

21 specifications of a specific purchaser. The combining of two

22 or more prewritten computer software programs or prewritten

23 portions thereof does not cause the combination to be other

24 than "prewritten computer software." The term includes

25 software designed and developed by the author or other creator

26 to the specifications of a specific purchaser when it is sold

27 to a person other than that purchaser. When a person modifies

28 or enhances computer software of which the person is not the

29 author or creator, the person is the author or creator only of

30 that person's modifications or enhancements. Prewritten

31 computer software, or a prewritten portion thereof, which is

1 | modified or enhanced to any degree, when such modification or

2 | enhancement is designed and developed to the specifications of

3 | a specific purchaser, remains "prewritten computer software";

4 | however, if there is a reasonable, separately stated charge or

5 | an invoice or other statement of the price given to the

6 | purchaser for such modification or enhancement, the

7 | modification or enhancement does not constitute "prewritten

8 | computer software."

9 | (43) "Delivery charges" means charges by the seller of

10 | personal property or services for preparation and delivery to

11 | a location designated by the purchaser of personal property or

12 | services, including, but not limited to, transportation,

13 | shipping, postage, handling, crating, and packing. The term

14 | does not include the charges for delivery of "direct mail" as

15 | defined by this section if the charges are separately stated

16 | on an invoice or similar billing document given to the

17 | purchaser. If a shipment includes exempt property and taxable

18 | property, the seller must tax the percentage of the delivery

19 | charge allocated to the taxable property but does not have to

20 | tax the percentage allocated to the exempt property. The

21 | seller should allocate the delivery charge by using:

22 | (a) A percentage based on the total sales prices of

23 | all property in the shipment; or

24 | (b) A percentage based on the total weight of the

25 | taxable property compared to the total weight of all property

26 | in the shipment.

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29 | ================ T I T L E   A M E N D M E N T ===============

30 | And the title is amended as follows:

31 | On page 1, line 6, after the word "seller,"

1 insert:

2   "model 1 seller," "model 2 seller," "model 3

3   seller,"