



**Alaska Remote Seller Sales Tax Commission
Board Meeting
October 20, 2021 9:00 am – 11:00 am**

Board Present:

- Jeff Rogers
- Stephanie Queen
- Melissa Haley
- Brandi Harbaugh

Board Absent:

- Mike Tvenge
- Scott Bloom
- Troy Tankersley

Others in attendance:

- Nils Andreassen, AML
- Kara Johnson, AML
- Clinton Singletary, AML
- Karl Kaufman, Landye Bennett Blumstein
- Max Mertz, CPA

1. Call to order

- a. Meeting started at 9:07 am

2. Approval of the Agenda

- a. Motion by Brandi; 2nd by Melissa

3. Approval of the Minutes

- a. 8.18.2021 Meeting minutes
 - i. Motion to approve by Melissa, no objection

4. Policy Committee Update

- a. Update by Maureen Graham, City of Wasilla

Maureen gave Policy Committee report as follows:

- *Reviewed Exemption Certificate directory*
 - *List of each jurisdiction's issued certificates*
 - *Would like to publish version to go with 2021-10*
- *Audit program*
 - *What local jurisdictions would like to see.*



- *2021-04 Sales Price, including sales tax in price. Code says sales tax must be separately stated, can't just say "sales price includes tax"*

5. New Business

a. Review of Financial Statements

Finance Committee met on and reviewed audit statement from Max Mertz.

3 current recommendations:

- 1) Recon MUNIREvs back to QB. That recon did not happen for 5-6 months of past FY21. Under reporting receivable and payables. This has been addressed.*
- 2) Process Manual for QB reporting. Working on this for FY22.*
- 3) SOC reporting by MUNIREvs. Candidate for providing users SOC1 or SOC2 report. Have one regarding reporting, but not as comprehensive as ARSSTC might want. SOC1 would be valuable. Staff is double checking numbers manually.*
 - a. Work with Commission staff and board members, reach out to Colorado regarding SOC1 report from MUNIREvs.*
 - b. Budget to Actuals shows we came in as Commission right where we should be with regards to Fund Balance Policy*
 - c. Appreciate the MDA report*

Has Colorado already requested a SOC report from MUNIREvs? Why is MUNIREvs only doing a small part of SOC2 report? Potentially very expensive to create SOC report. Board requested Clinton to ask Colorado if they have raised this question to MUNIREvs. Letter from Clinton or Jeff to MUNIREvs regarding report request.

b. FY22 Budget Revision proposal

Originally adopted FY22 budget with caveat that budget could be revised later in year. Looking at increase in estimated revenues, \$13 million - \$14 million. Also budgeted for additional staffing costs. Additional staffing costs such as tech-level position for daily reconciliation work plus some basic auditing & compliance functions. Also builds in staffing costs for Lisa Fisher w/ AML for Quickbooks reconciliation.

Also have software line of \$40,000 to allow for software upgrades and change orders. Over last FY, AML has covered the MUNIREvs change orders. Now in a better financial position to budget software upgrades for the Commission. Two main projects are:

- 1) Certain physical presence companies file through MUNIREvs Commission portal.*
- 2) KPB timely filing discount revision*

Discussion regarding the physical presence collection, Board does not want ARSSTC funds used for local collection efforts. Specific target is MLM companies with goal of improving compliance for municipalities. Code and/or Intergovernmental Agreement would have to be altered to vest authority regarding these companies. Grow staff is high priority especially for compliance.

Motion by Brandi to adopt revised budget of increased revenues of \$14 million with no change to Commission fee rate. No objection.

c. ARSSTC Annual Meeting planning



- a. Date / time
- b. Board seat vacancies
- c. Agenda

Board settled on 10/17 from noon – 1pm for Annual Meeting. Agenda will be member update, FY21 financials, election of vacant Board seats, Board officers.

Clinton will communicate board vacancies to members prior to Annual meeting to encourage members to submit nominations to board.

d. Finance & Policy Committee structure and operations

Both Finance and Policy Committees need to follow Alaska Open Meetings law. ARSSTC bylaws require chair for each committee. Need chair for Policy Committee or can call it a working group. Board President can appoint chair for committees. Board wants Policy Committee to remain as is, but Board will decide on Chair for both Committees after annual meeting.

AML staff will create a meetings page on Commission website for meeting notices, agendas, minutes, and video/audio.

e. Approval of New Interpretation 2021.04 – Sales Price

Clarification regarding what constitutes sales price and provides examples for different scenarios. Sales tax needs to be individually stated on invoice or receipt.

Motion by Melissa to approve 2021.04. 2nd by Stephanie – 2021.04 is adopted

6. Information / discussion items

a. Member payout date

AML staff need additional time to compare and reconcile reports before payout to ensure all issues resolved.

Motion by Brandi to approve changing payout date from 10th to 15th. No objection.

7. Comments

Clinton would like fixed Board meeting time, difficult to find times on the fly. Board agrees to target every other month. Wednesday mornings 10-noon.

8. Adjournment

- a. Adjournment at 10:45 am

Respectfully submitted, Clinton Singletary, AMSTP Sales Tax Director

Approved:		
By:	Melissa Haley, ARSSTC Board Secretary	Date