



**Alaska Remote Seller Sales Tax Commission**  
**Board of Directors Meeting Minutes**  
**March 15, 2023 10:00 am – 12:00 pm**  
*Virtual via Zoom*

Board of Director Attendees:

- Scott Bloom
- Melissa Haley
- Brandi Harbaugh
- Ruth Kostik
- Xavier Mason
- Joan Miller

Absent – Stephanie Queen

1. Call to order at 10:03 am
2. Approval of the Agenda
  - a. Motion by Scott Bloom to approve agenda, Second by Joan Miller
3. Approval of the Minutes
  - a. 1.18.2023 Board Meeting minutes
  - b. Motion to approve by Joan Miller, Second by Scott Bloom
4. Public participation on Non-Agenda Items
  - a. No Public participation
5. Official Business
  - a. Policy Committee Report
    - i. Maureen Graham, chair of Policy Committee updated the Board. The PC Met 2/21/23 to discuss physical presence redraft, franchises, and bundled transactions. Also reviewed Interpretation 2022.02 to revise language regarding remote workers and discussed if there was a need to include franchises. Policy Committee determined that just the relationship of a franchise does not immediately create physical presence, one must refer to points 1-5 on Interpretation 2022.02 for clarification if physical presence is established.
  - b. Approval of new Interpretation 2022.02 – Physical Presence
    - i. Policy Committee had a discussion around remote workers and adjusted points to reflect if visiting or traveling through for purposes other than for solicitation, that does not create physical presence. Clarified which services performed by employees create physical presence.



ii. Motion to approve by Joan Miller, second by Ruth Kostik.

c. Approval of new Interpretation 2023.01 – Bundled Transactions

- i. The goal of this interpretation is to clarify how bundled transactions are taxed across the state. The Uniform Code does not provide a definition for Bundled Transactions (we will need to update interpretation when there is a formal definition). Current proposal is based on SSUTA definition. The position taken in the interpretation is that a bundle is taxable if at least one piece of the bundle is taxable. If one piece is non-taxable or exempt, the bundle should be separated to exempt as appropriate.
- ii. Question from the Board about how tax caps, refunds and tax caps on services would be impacted.
- iii. Board requested Policy Committee to work on the above questions.

d. ARSSTC Bylaws update re: Annual Meeting quorum

- i. Clinton presented memo outlining amendment options as written in the Bylaws. Staff recommended Option 1 from the memo due to the difficulty involved in obtaining quorum at member-wide meetings.
- ii. Board approved staff to take Option 1, notifying members of the proposed Bylaws updates with at least 30 day's advance notice.

e. FY23 Budget Projections / FY24 Draft Budget

- i. Clinton presented FY23 projections, noting that FY23 is projecting higher revenues and lower expenses than originally budgeted. This is leading to an excess fund balance, greater than anticipated. Recommends assigning \$100k of this excess to a litigation defense fund in the case of litigation challenging the Commission. Also recommends leaving Commission fee at 2.25% for FY23 and FY24.
- ii. FY24 projections presented by Clinton, noting revenues are projected to be \$25 million. Increase in revenues tied primarily to increased compliance efforts, and continued growth in newly registered remote sellers. FY24 budget also reflects full staffing of four positions, increased interest income and expenses related to multiple expected programming updates to the MUNIREvs portal.
- iii. Joan Miller stated that Wasilla supports the \$100k litigation fund, feeling the benefit of the fund to the Commission outweighs the benefit to paying that out to members. Additional discussion around how to reflect the litigation fund within the fund balance. Board requested Finance Committee review litigation defense fund under the fund balance policy and revise policy as appropriate.
- iv. Motion to approve FY24 Budget as presented by Ruth Kostik, second by Xavier Mason.

6. Comments

- Board pointed out the need to review and discuss the contract with AML prior to the end of the year.



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- Question about what types of programming updates were planned for FY24. Clinton briefly outlined the programming changes and why the changes were needed.

7. Adjournment – Meeting adjourned at 10:53 am

Respectfully submitted, Clinton Singletary, AMSTP Sales Tax Director

<b>Approved:</b>		
<b>By:</b>	<b>Xavier Mason, ARSSTC Board Secretary</b>	<b>Date</b>