



Alaska Remote Seller Sales Tax Commission
Board of Directors Meeting
August 17, 2022 10:00am – 12:00pm
Virtual via Zoom

Board of Director Attendees:

- Jeff Rogers
- Stephanie Queen
- Scott Bloom
- Melissa Haley
- Joan Miller
- Brandi Harbaugh
- Xavier Mason

1. Call to order
 - a. Call to order at 10:05 am.
2. Approval of the Agenda
 - a. Motion by Joan Miller, no objection.
3. Approval of the Minutes
 - a. 6.15.2022 Board Meeting minutes
 - b. Motion to approve by Melissa Haley, no objection.
4. Public participation on Non-Agenda Items
 - a. No public participation
5. Official Business
 - a. Policy Committee Report
 - i. Report from Maren Graham on June and July Policy Committee meetings: discussion of forced registration, sourcing of goods, and approval of draft VDA program.
 - b. Voluntary Disclosure Agreement discussion / proposal
 - i. The VDA would standardize response to queries from businesses who need to back file.
 1. Four points for eligibility
 - a. No registration and no reported sales to Commission
 - b. Not yet contacted by Commission
 - c. Cannot be engaged in tax evasive behavior
 - d. Did not collect back taxes
 2. Those sellers who had collected would be treated as delinquent sellers with full interest and penalties



3. Lookback period would be 36 months which aligns with Code for audit and record retention
4. Penalties and interest:
 - a. Waive late filling fee (does not go to member jurisdiction)
 - b. 100% waiver of late penalties
 - c. Keep interest – does not fall under waiver
5. Business would contact ARSSTC, receive the VDA application, declare if taxes were collected, review outreach efforts, would have 30 days to sign and return, then 30 days to register and file in full. If after 30 days the steps above have not been followed, then penalties and late fees would go into effect.

Questions from Board of Directors:

1. Jeff asked what the alternative was?
 - a. Clinton stated that the Commission can take a soft line with Businesses and continue to do what they have done – collection only going forward. Commission has been in effect for over 3 years now, and can take a hard line that they owe all back taxes, penalties, and interest.
2. Brandi asked about businesses that file only for some jurisdictions and not others and have not worked through VDA with that information?
 - a. Clinton stated that the policy committee did not discuss. It is definitely something that will need to be worked through.
3. Joan asked about the type of businesses that are inquiring? Will they have to pay in full or will a payment plan be possible?
 - a. Clinton explained that probably middle tier businesses that may not have staff to monitor economic nexus. Paying in full is common for other VDAs and should not be different.
4. Melissa asked if this means the Commission will do a look back for all businesses that joined late, who are not currently registered businesses. What about businesses that Commission reaches out to, will a look back be done? Seems like the Commission is penalizing businesses that are coming forward voluntarily.
 - a. Clinton replied that for currently registered businesses, no. This would be for businesses looking forward who have a registration requirement. Commission has been established long enough for almost 3 years with broad outreach. There is a lot of information out there, therefore there is less forgiveness moving forward for those businesses who were not aware.

Discussion from Board of Directors:

1. Melissa is comfortable with it, with maybe less of a look back period or applying a look period to those businesses that joined late that had met nexus.
2. Brandi is comfortable with it, with input from local jurisdictions to verify business is truly remote and no taxes were previously remitted locally.
3. Joan is comfortable with it, but it would be nice to have time to consider a similar program at jurisdiction level.
 - a. Jeff asked what local jurisdictions do now?
 - i. Clinton responded that jurisdictions usually adjust filing periods for the businesses that would need to file to annual returns with full penalties and interest to catch up.



- ii. Mareen stated that businesses are usually discouraged from coming forward voluntarily if they will be punished. If they voluntarily coming forward, their jurisdiction will wave the back penalties and interest for the 3 year look back period.

Staff will update the program and form to include jurisdiction review of possible remittance and bring back to next scheduled meeting for approval.

6. Informational Items

a. Staff report from MTC annual meeting

i. Kara and Clinton attended MTC conference.

- 1. Clinton presented about ARSSTC to MTC Nexus Committee, which was well received.
- 2. There were discussions on crypto and digital services.
- 3. He stated that many states struggling defining digital goods – MTC has established a working group, which Clinton said he will be joining.
- 4. There was a discussion of use of antiquated case laws and applying to modern situations.
- 5. Staff met with Colorado, Washington, Louisiana.

b. Financials update

- i. Staff presented a brief review of Financials, highlighting fund balance of \$200,000. Stating that the Commission is looking at “eating up” fund balance in FY23. The expenses and revenues are as expected.

c. Staffing update

- i. Clinton stated that 1.5 staff positions have been hired: a full time compliance position and part time administrative technician.

7. Comments

- a. Karl said he is watching new Wayfair case filed on Colorado, tracking the arguments but does not think it will apply ARSSTC. The tax cap is an undue burden. He said that Alaska is unique, we have tax caps, most states and municipalities do not have tax caps. The difference is in enforcement of provisions and penalties between local jurisdiction and remote seller tax code, complaints filed against jurisdiction, not state level.

8. Adjournment

- a. Meeting adjourned at 10:45am.

Respectfully submitted, Clinton Singletary, AMSTP Sales Tax Director

Approved:		
By:	Melissa Haley, ARSSTC Board Secretary	Date