AN ACT TO AUTHORIZE AND DIRECT THE STATE TAX COMMISSION TO
ENTER INTO THE STREAMLINED SALES AND USE TAX AGREEMENT WITH ONE OR
MORE STATES TO SIMPLIFY AND MODERNIZE SALES AND USE TAX
ADMINISTRATION IN ORDER TO SUBSTANTIALLY REDUCE THE BURDEN OF TAX
COMPLIANCE FOR ALL SELLERS AND FOR ALL TYPES OF COMMERCE; TO
AUTHORIZED THE STATE TAX COMMISSION TO ACT JOINTLY WITH OTHER
STATES THAT ARE MEMBERS OF THE AGREEMENT TO ESTABLISH STANDARDS
FOR CERTIFICATION OF CERTIFIED SERVICE PROVIDERS AND CERTIFIED
AUTOMATED SYSTEMS AND ESTABLISH PERFORMANCE STANDARDS FOR
MULTI-STATE SELLERS; TO PROVIDE THAT THE AGREEMENT MUST MEET
CERTAIN MINIMUM STANDARDS BEFORE IT MAY BE ENTERED INTO BY THE
STATE TAX COMMISSION; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. This act shall be known as and referred to as the
"Uniform Sales and Use Tax Administration Act."

SECTION 2. As used in this act:
(a) "Agreement" means the Streamlined Sales and Use Tax
Agreement.
(b) "Certified Automated System" means software
certified jointly by the states that are signatories to the
agreement to calculate the tax imposed by each jurisdiction on a
transaction, determine the amount of tax to remit to the
appropriate state, and maintain a record of the transaction.
(c) "Certified Service Provider" means an agent
certified jointly by the states that are signatories to the
agreement to perform all of the seller's sales tax functions.
(d) "Person" means an individual, trust, estate,
fiduciary, partnership, limited liability company, limited
liability partnership, corporation, or any other legal entity.
(e) "Sales tax" means the tax levied under Chapter 65,
(f) "Seller" means any person making sales, leases, or rentals of personal property or services.

(g) "State" means any state of the United States and the District of Columbia.

(h) "Use tax" means the tax levied under Chapter 67, Title 27, Mississippi Code of 1972.

SECTION 3. The Legislature finds that this state may enter into an agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce.

SECTION 4. The State Tax Commission is authorized to enter into the Streamlined Sales and Use Tax Agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce. In furtherance of the agreement, the State Tax Commission is authorized to act jointly with other states that are members of the agreement to establish standards for certification of a certified service provider and certified automated system and establish performance standards for multi-state sellers.

The State Tax Commission is further authorized to take other actions reasonably required to implement the provisions set forth in this act. Other actions authorized by this section include, but are not limited to, the adoption of rules and regulations and the joint procurement, with other member states, of goods and services in furtherance of the cooperative agreement.

The State Tax Commission or the its designee is authorized to represent this state before the other states that are signatories to the agreement.

SECTION 5. No provision of the agreement authorized by this act in whole or part invalidates or amends any provision of the law of this state. Adoption of the agreement by this state does
not amend or modify any law of this state. Implementation of any
condition of the agreement in this state, whether adopted before,
at, or after membership of this state in the agreement, must be by
the action of this state.

SECTION 6. The State Tax Commission shall not enter into the
Streamlined Sales and Use Tax Agreement unless the agreement
requires each state to abide by the following requirements:

(a) The agreement must set restrictions to achieve over
time more uniform state rates through the following:

(i) Limiting the number of state rates.

(ii) Limiting the application of maximums on the
amount of state tax that is due on a transaction.

(iii) Limiting the application of thresholds on
the application of state tax.

(b) The agreement must establish uniform standards for
the following:

(i) The sourcing of transactions to taxing
jurisdictions.

(ii) The administration of exempt sales.

(iii) The allowances a seller can take for bad
debts.

(iv) Sales and use tax returns and remittances.

(c) The agreement must require states to develop and
adopt uniform definitions of sales and use tax terms. The
definitions must enable a state to preserve its ability to make
policy choices not inconsistent with the uniform definitions.

(d) The agreement must provide a central, electronic
registration system that allows a seller to register to collect
and remit sales and use taxes for all signatory states.

(e) The agreement must provide that registration with
the central registration system and the collection of sales and
use taxes in the signatory states will not be used as a factor in
determining whether the seller has nexus with a state for any tax.
(f) The agreement must provide for reduction of the burdens of complying with local sales and use taxes through the following:

(i) Restricting variances between the state and local tax bases.

(ii) Requiring states to administer any sales and use taxes levied by local jurisdictions within the state so that sellers collecting and remitting these taxes will not have to register or file returns with, remit funds to, or be subject to independent audits from local taxing jurisdictions.

(iii) Restricting the frequency of changes in the local sales and use tax rates and setting effective dates for the application of local jurisdictional boundary changes to local sales and use taxes.

(iv) Providing notice of changes in local sales and use tax rates and of changes in the boundaries of local taxing jurisdictions.

(i) The agreement must outline any monetary allowances that are to be provided by the states to sellers or certified service providers.

(j) The agreement must require each state to certify compliance with the terms of the agreement prior to joining and to maintain compliance, under the laws of the member state, with all provisions of the agreement while a member.

(k) The agreement must require each state to adopt a uniform policy for Certified Service Providers that protects the privacy of consumers and maintains the confidentiality of tax information.

(l) The agreement must provide for the appointment of an advisory council of private sector representatives and an advisory council of nonmember state representatives to consult with in the administration of the agreement.
SECTION 7. The agreement authorized by this act is an accord among individual cooperating sovereigns in furtherance of their governmental functions. The agreement provides a mechanism among the member states to establish and maintain a cooperative, simplified system for the application and administration of sales and use taxes under the duly adopted law of each member state.

SECTION 8. (1) The agreement authorized by this act binds and inures only to the benefit of this state and the other member states. No person, other than a member state, is an intended beneficiary of the agreement. Any benefit to a person other than a state is established by the law of this state and the other member states and not by the terms of the agreement.

(2) Consistent with subsection (1) of this section, no person shall have any cause of action or defense under the agreement or by virtue of this state’s approval of the agreement. No person may challenge, in any action brought under any provision of law, any action or inaction by any department, agency or other instrumentality of this state, or any political subdivision of this state on the ground that the action or inaction is inconsistent with the agreement.

(3) No law of this state, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the agreement.

SECTION 9. (1) A Certified Service Provider is the agent of a seller, with whom the Certified Service Provider has contracted, for the collection and remittance of sales and use taxes. As the seller’s agent, the Certified Service Provider is liable for sales and use tax due each member state on all sales transactions it processes for the seller except as set out in this section. A seller that contracts with a Certified Service Provider is not liable to the state for sales or use tax due on transactions processed by the Certified Service Provider unless the seller
misrepresented the type of items it sells or committed fraud. In the absence of probable cause to believe that the seller has committed fraud or made a material misrepresentation, the seller is not subject to audit on the transactions processed by the Certified Service Provider. A seller is subject to audit for transactions not processed by the Certified Service Provider. The member states acting jointly may perform a system check of the seller and review the seller's procedures to determine if the Certified Service Provider's system is functioning properly and the extent to which the seller's transactions are being processed by the Certified Service Provider.

(2) A person that provides a Certified Automated System is responsible for the proper functioning of that system and is liable to the state for underpayments of tax attributable to errors in the functioning of the Certified Automated System. A seller that uses a Certified Automated System remains responsible and is liable to the state for reporting and remitting tax.

(3) A seller that has a proprietary system for determining the amount of tax due on transactions and has signed an agreement establishing a performance standard for that system is liable for the failure of the system to meet the performance standard.

SECTION 10. This act shall take effect and be in force from and after its passage.