

## **Bundled Transactions -- Summary of SST (Streamlined Sales and Use Tax) Agreement Requirements**

- SST Agreement requirements relating to bundled transactions take effect on January 1, 2008
- Member states are required to adopt the SST Agreement definition of "bundled transaction" and utilize this definition to determine tax treatment
- Member states are not restricted in their tax treatment of bundled transactions except as otherwise provided in the SST Agreement
- Member states are not restricted in their ability to treat some bundled transactions differently from other bundled transactions
- Unless otherwise provided by federal law, in the case of a bundled transaction involving telecommunication service, ancillary service, internet access, or audio or video programming service, if the price is attributable to:
  - products that are taxable and products that are nontaxable, the portion of the price attributable to the nontaxable products may be subject to tax unless the provider can identify the nontaxable portion
  - products that are subject to tax at different tax rates, the total price may be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify the portion of the price attributable to the products subject to tax at the lower rate

*Prepared by the Office of Legislative Research and General Counsel -- May, 2006*