

shall advise member states when setting state direct pay limits and requirements, and shall consider use of the Model Direct Payment Permit Regulation as developed by the Task Force on EDI Audit and Legal Issues for Tax Administration.

Section 327: LIBRARY OF DEFINITIONS

Each member state shall utilize common definitions as provided in this section. The terms defined are set out in the Library of Definitions, in Appendix C of this Agreement. A member state shall adhere to the following principles:

- A. If a term defined in the Library of Definitions appears in a member state's sales and use tax statutes or administrative rules or regulations, the member state shall enact or adopt the Library definition of the term in its statutes or administrative rules or regulations in substantially the same language as the Library definition.
- B. A member state shall not use a Library definition in its sales or use tax statutes or administrative rules or regulations that is contrary to the meaning of the Library definition.
- C. Except as specifically provided in Sections 316 and 332 and the Library of Definitions, a member state shall impose a sales or use tax on all products or services included within each Part II or Part III (B) definition or exempt from sales or use tax all products or services within each such definition including all products and services listed in the rules, appendices and interpretive opinions adopted by the Governing Board. Provided, the requirements of this subsection shall only apply to Part III (B) definitions to the extent that such definitions are used in the administration of a sales tax holiday. A member state is not in compliance with the Agreement if the member state excludes any product or service that is included within a product definition or includes a product or service that is excluded from a product definition.

See Compiler's Notes for history.

Section 328: TAXABILITY MATRIX

A. Taxability Matrix

(1) Library of Definitions (Library): To ensure uniform application of terms defined in the Library adopted by the Governing Board pursuant to Section 327, each member state shall