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## **Southeastern States Mark Ten-Year Anniversary of Tax Exchange Agreement**

*Montgomery, July 23, 1999*—The 10th anniversary of the Southeastern Association of Tax Administrators (SEATA) Information Exchange Agreement was recognized at the 49th Annual Conference of the Southeastern Association of Tax Administrators held last week in Lexington, Ky. The compact, initiated in July 1989 to combat losses of use tax on purchases made from out-of-state merchants or sellers, has recovered an excess of \$69 million in tax revenues for the 12 participating southeastern states, according to David Mays of the South Carolina Department of Revenue, who serves as chairman of the 1999 SEATA Information Exchange Committee.

The original agreement, signed by tax officials from Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, had two components: (1) to encourage businesses to voluntarily register to collect use tax on interstate sales, and (2) to exchange audit information on untaxed sales between the compact members. In 1991, the SEATA agreement was expanded to include the exchange of information for corporation income taxes and all other state taxes.

During the past ten years, the SEATA states have participated in joint use tax enforcement projects relating to furniture, boats, and other big-ticket items; coordinated training programs for revenue employees; discussed tax issues related to interstate sales; and shared information on use tax to educate the public on their use tax obligations.

According to information provided by the 1999 Exchange Committee, Alabama ranked sixth in the 12-member ranking, based on total dollar amounts of audits/assessments resulting from exchange of tax information, covering the ten-year period June 1989 through May 1999.

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Tennessee captured the top ranking with \$18.7 million; Florida, second at \$15.2 million; Kentucky, third at \$12.7 million; South Carolina, fourth at \$5.3 million; Arkansas, fifth, at \$5.0 million; Alabama, sixth at \$3.2 million; Mississippi, seventh at \$2.4 million; North Carolina, eighth at \$2.3 million; Virginia, ninth at \$1.4 million; Georgia, 10th at \$1.38 million; Louisiana, 11th at \$1.2 million; and West Virginia, 12th at \$813,747.

“The exchange agreement allows participating states to maximize their auditing resources and increase voluntary compliance through education. Alabama’s participation in SEATA has fostered a closer working relationship among member states, including cooperative efforts in auditor training and sharing of information and ideas,” said Alabama Commissioner of Revenue James P. Hayes Jr.