

STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



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Chief Civil Deputy

April 14, 2017

Spencer "Benny" Salcido
Salcido Law Firm PLLC
43 W 9000 S STE B
Sandy, UT 84070

Re: Libertas Institute v. Utah State Tax Commission

Dear Mr. Salcido:

Pursuant to the Order of the Utah State Records Committee "SRC," enclosed please find the redacted copy of an agreement between Amazon.com, Inc. and the Utah State Tax Commission. As specified in the SRC's Order, Pages 1 through 6 are included.

The Order of the SRC, mandated some exclusions and redactions. The release of the enclosure constitutes compliance with the Order issued March 27, 2017.

Sincerely,

Gale K. Francis
Assistant Attorney General

Enclosure: as stated

cc: (via electronic mail):
ndubovik@utah.gov
benny@salcidolaw.com
John L. Valentine, Commissioner Chair
Michael J. Cragun, Commissioner
Robert P. Pero, Commissioner
Rebecca L. Rockwell, Commissioner

Barry Conover, Ex Director
Craig Sandberg, Director
Dolores Furniss
Bridgett Romano
John McCarrey
Susan Barnum
Charlie Roberts

VOLUNTARY COLLECTION AGREEMENT

Amazon.com, Inc., FEIN _____, and its affiliated entities ("Amazon" or "Amazon's Affiliated Group") as set forth on Exhibits A, B and C hereby enter into this Voluntary Agreement for Registration and Collection of Sales/Use Taxes ("Agreement") with the Utah State Tax Commission ("Commission").

WHEREAS, it is the Commission's responsibility for the administration, collection, and enforcement of certain taxes;

WHEREAS, the members of Amazon's Affiliated Group are not registered to collect Utah sales/use tax and have not collected and remitted Utah sales/use tax;

WHEREAS, the members of Amazon's Affiliated Group have not paid any other taxes;

WHEREAS, this Agreement shall limit Amazon's liability for sales/use taxes, business and corporate franchise and income taxes, and all other taxes and fees administered by the Commission (except personal income taxes as applied to individuals) as a result of Amazon's business activities for all tax periods prior to registration;

NOW, THEREFORE, in the interest of minimizing collection and administrative expenses, mitigating hazards of litigation, and expediting the resolution of the matter covered herein, Amazon and the Commission hereby agree as follows:

1. **Sales/Use Tax Registration and Collection.** The members of Amazon's Affiliated Group listed on Exhibit A will register and begin collecting Utah sales/use tax on their taxable sales on the earlier of January 1, 2017 or the effective date of federal legislation authorizing the states to require a seller to collect taxes on sales of goods to in-state purchasers without regard to the location of the seller ("Retail Collection Date"). The member of Amazon's

Affiliated Group listed on Exhibit B will register and begin collecting Utah sales/use tax on its taxable sales on the earlier of September 1, 2016 or the effective date of federal legislation authorizing the states to require a seller to collect taxes on sales of goods to in-state purchasers without regard to the location of the seller ("AWS Collection Date") (collectively the "Collection Dates").

2. Income Tax Return Filings. Amazon will begin filing a combined Utah Corporation Franchise and Income Tax Return that includes all unitary affiliates, as required under Utah law, for the first tax year beginning on or after January 1, 2017.

3. Effective Date. This Agreement is effective on the date of signature by both parties (the "Effective Date").

4. Release of Liability.

Amazon's Affiliated Group, its current and former directors, officers, employees, agents and representatives as set forth on Exhibits A, B, and C shall not be liable for any Corporation Franchise and Income Taxes for the periods prior to the tax year that Amazon's Affiliated Group is obligated to file a combined Utah Corporation Franchise and Income Tax Return by operation of this Agreement.

Amazon's Affiliated Group, its current and former directors, officers, employees, agents and representatives as set forth on Exhibits A and C shall not be liable for any sales/use taxes or any other taxes or fees administered by the Commission (except personal income taxes as applied to individuals) and related returns, arising from Amazon's activities in Utah or those activities and sales of unrelated third parties for any period prior to the Retail Collection Date; and are hereby released and discharged from any such liability, including penalties, interest

and/or criminal actions, including any liabilities arising from those activities and sales of unrelated third parties.

Amazon's Affiliated Group, its current and former directors, officers, employees, agents and representatives as set forth on Exhibit B shall not be liable for any sales/use taxes or any other taxes or fees administered by the Commission (except personal income taxes as applied to individuals) and related returns, arising from Amazon's activities in Utah or those activities and sales of unrelated third parties for any period prior to the AWS Collection Date; and are hereby released and discharged from any such liability, including penalties, interest and/or criminal actions, including any liabilities arising from those activities and sales of unrelated third parties.

5. Record Examination. For tax periods commencing on or after the applicable Collection Date, the Commission reserves the right to audit Amazon's books and records for any taxes reported, paid or remitted. Amazon reserves the right to contest any additional taxes proposed or determined by the Commission to be due for such taxable years as a result of an audit, settlement, or other investigation. Amazon agrees to make its books and records available for a tax audit by the Commission to verify the material representations of fact on which this Agreement is based.

6. Compliance. The Commission may declare this Agreement null and void if the facts represented to the Commission are found to be materially different from the facts as represented to the Commission by Amazon. The facts represented to the Commission by Amazon are set forth in section 7. A change in Amazon's activities or operations, including the acquisition of a company, subsequent to the Effective Date of the Agreement shall not be deemed a material misstatement of facts or have any effect upon the validity of this Agreement. In order to ensure Amazon's compliance with Utah sales/use tax collection requirements, the

Commission shall cooperate in providing Amazon guidance prior to the Collection Dates regarding the taxability of any tangible personal property, digital goods or services.

7. Factual Representations. Prior to the Effective Date, Amazon did not own or lease any real or personal property in the state and did not maintain any place of business in the state.

8. Authority. Each party to this Agreement hereby represents and warrants that it has legal authority to enter this Agreement, that the person executing the Agreement on behalf of the party is authorized to do so, and that the Agreement shall be binding and enforceable when duly executed and delivered by each party.

9. Governing Law. This Agreement shall be governed by Utah law and shall be modified only in writing signed by the parties.

10. Communications. Any notices, demands, or communication required or permitted under this Agreement shall be in writing and shall be directed as follows if to the Commission:

Utah State Tax Commission
Attn: Executive Director
210 North 1950 West
Salt Lake City, Utah 84134

Any notices, demands, or communication required or permitted under this Agreement shall be in writing and shall be directed as follows if to Amazon:

Amazon.com, Inc.
2021 7th Ave.
Seattle, Washington 98121


11. No Concession of Merits. It is expressly understood and agreed by the parties that neither party has made any concessions regarding the merits of its respective positions or the merits of the other party's positions regarding any related tax matters under dispute.

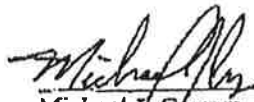
12. Confidentiality. The terms of this Agreement, and any negotiations, discussions, or other communications regarding this Agreement, are strictly confidential between the Commission and Amazon and shall not be made known to any other party, including other taxing jurisdictions. This section shall not apply to (i) disclosure required by subpoena or other mandatory court or governmental agency order; (ii) disclosure by Amazon to an attorney or accountant to the extent necessary for the party to obtain professional advice; (iii) disclosure in proceedings commenced by a party to enforce the terms and conditions of this Agreement; (iv) disclosure of the existence of this Agreement (but not its terms) to the Multistate Tax Commission; and (v) disclosure of the terms of the Agreement to the Governor. Nothing in this section shall preclude the Commission's provision of information to localities within the state for the limited purpose of complying with Utah Code Sec. 59-12-210.

13. Severability. If any provision of this Agreement is, or may be, held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, nevertheless, will survive and continue in full force and effect without being impaired or invalidated in any way. It is the intention of the parties that if any such provision is held or determined to be illegal, invalid, or unenforceable, there will be added in lieu thereof a provision as similar to such provision as is possible to be legal, valid, and enforceable.

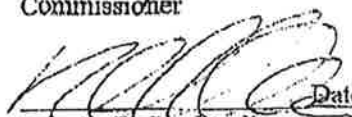
IN WITNESS WHEREOF, the parties have hereunto subscribed their names for the purposes and on the day and year first above written.

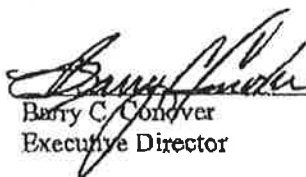
For the Commission:

 Dated: 8-3-16
John L. Valentine
Commission Chair

 Dated: 9 Aug 2016
Michael J. Congun
Commissioner

 Dated: 8-3-16
Robert P. Pero
Commissioner

 Dated: 8/9/16
Rebecca L. Rockwell
Commissioner

 Dated: 8.3.2016
Barry C. Conover
Executive Director

For Amazon.com, Inc.:

_____ Dated: 8/3/2016