

## **Exhibit L**

Compiled Responses to Intake Survey

<p>1. What are your thoughts generally on the primary question of whether Mississippi should levy a sales or use tax on software that serves as a commercial business input?  a. How might this issue impact Mississippi from an economic competitiveness standpoint?</p>
<p>This is the most complex and negative idea on taxation I have ever heard. In today's advanced manufacturing environment, virtually every aspect of manufacturing operations is related to computerization and the supporting software therein. The term "commercial business input" is the most vague concept, as it relates to software I can ever imagine. Economic competitiveness will be negatively affected, either through the actual taxation or thru development of business / accounting practices and procedures to minimize the input.</p>
<p>The law should be definitive on what the Department of Revenue should be able to tax.</p>
<p>Any additional taxes would lessen Mississippi's economic competitiveness.</p>
<p>I don't think they should be taxed and it will be another burden on small business for our state.</p>
<p>Yes - if software in the cloud is taxed. This makes MS less competitive from LA who doesn't.</p>
<p>It will have a significant impact on companies that use redundant servers outside the state such as banks. As SAS or accessing your software outside the state has historically been non-taxable, it will create a tax increase that the legislature should address. It should not be done administratively.</p>
<p>In my opinion, I think that things are fine just the way they are.</p>
<p>I think taxing software is unavoidable evolution of our tax system as a whole that MS should embrace early. I suspect most, if not all, states will tax software at some level and MS taxation of software will therefore have limited impact on its economic competitiveness. With that said, MS could harm its competitiveness by trying to tax software by developing its methods to do so. Instead, MS should harmonize its approach to imposing sales and use tax on software with the approaches most commonly used by other states that tax same.</p>
<p>Levying a tax that aims towards Mississippi Realtors or thier service/softwarees could potentially cripple our competivness against non-resident service providers.</p>
<p>If an identical item were purchased in MS, a sales tax would be charged. Therefore, a tax should be charged in this case, as well.</p>
<p>It would not help MS competitiveness.</p>
<p>it seems that we already pay many providers of our software services, so why should we have to pay a tax on top of that. For many businesses, such as non profits or small businesses, we don't have the budgets to pay that kind of tax on every software service we use. It could be catastrophic to some negotiations with companies who are looking to do business with Mississippi. The overhead for business is already high.</p>
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<p>None</p>
<p>It should not. It will have a chilling effect as the government definition of "software" will not be able to keep pace with technology.</p>
<p>Many companies like community banks utilize third party providers which would increase our overall operating costs making us less competitive with larger regional/national banks which would not be taxed.</p>
<p>This could include utility plant or platforms. We oppose general taxation of business inputs.</p>
<p>Any increase in tax cost would drive away business.</p>
<p>It would certainly be a deciding factor on SaaS businesses working from MS. It would also increase the cost of operation for the business using the SaaS businesses as the cost would obviously trickle down to the consumer.</p>

Wouldn't taxes be paid already by the provider??a.)More taxes on a business is never a good thing.
Not in favor. It penalizes the small business that have no leverage over what these software businesses charge. We have a tight budget and business software continues to make up a bigger and bigger piece of it. They will not reduce their fees because of the tax and take it out of their own pocket. They will add the tax on top and we will be hurt while they continue with their high margin business. It will probably force us to discontinue some support that will ultimately put us at greater risk of financial, operational, or physical harm (like discontinuing our security system).
I do not believe the law should change. This will bring an unnecessary tax burden on all taxpayers. Not all states place a tax on cloud computing software.
I agree MS should levy this tax. Its a forgone conclusion that other states will.
As the economy moves towards a digital age, more companies are able to locate anywhere in the world that has broadband access. Why invest millions/billions in broadband access for Mississippi when companies will not choose to locate in Mississlpppl if there are additional cost-of-business like taxes on software?? They aren't going to choose to locate here because we're first in the nation for education. Adding this tax will have a negative effect on Mississippi from an ED competitiveness perspective.
No. At a time when the State is cutting income tax and other taxes in efforts to be more competitive, this just adds to the costs of doing business in Mississippi.
Sales tax on software could greatly impact Mississippi's economic competitiveness, especially to regulated utilities, such as my company. Our competitors have multiple divisions across all fifty states, and would be able to purchase software in other states, then spread the cost of the software across their respective divisions in Mississippi.
Any new tax on business is a detriment to economic development, and we lag behind neighboring states already in some competitive areas.

2. Has your organization been able to quantify any potential increased operating costs that might have resulted from the Department's proposed amendment to its sales tax regulation on Computer Equipment, Software and Services?
In an advanced manufacturing environment with several multi-million machines that rely on operating systems that are continually and automatically updated, this law will require a unique and separate set of system to identify and track all software related activities. This will place an extremely large burden on small, high-tech businesses throughout the state. Items included are machine operating systems, manufacturing MRP systems, communications platforms, asset management systems, accounting systems, sales systems, customer service platforms, energy management systems, etc. etc. The identification of each of these costs in order to make an argument in this case would be over-burdensome. This should be a no-brainer and will result in a complex myriad of far-reaching unintended consequences.
Negligible
<a href="https://www.forbes.com/sites/davidundercoffler/2021/12/31/buckle-up--subscriptions-are-coming-for-your-cars-best-features/?sh=615da335310b">https://www.forbes.com/sites/davidundercoffler/2021/12/31/buckle-up--subscriptions-are-coming-for-your-cars-best-features/?sh=615da335310b</a>
No
It would impact us but I have not determined the impact.

It will be an increase due most of our organization uses system wide software which some are cloud based. Resources (additional software and/ people) would be needed to determine the allocation of the MS based divisions
TBD
No.
No. I am a tax attorney and my services are not taxed. I am curious to see how my field is ultimately taxed. If I use a form assembly system to prepare a trust, will that service now be taxed? Will the imposition of the tax on the software, result in the imposition on the entire service similar to an installer? If I don't use a form assembly system and instead use a form my data bank, am I now "selling software" because I did not use my knowledge base to prepare the entire form? What is "software"?
No
Not at this time.
Costs not quantified but would increase due to software and services currently being entirely sourced to a non-taxing state.
We haven't narrowed the exact cost, but our MLS and our day to day operations for the association and all its members centers on technology using software and services. We would have to raise our costs to our members to access just basic programs if a tax is levied.
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No, it's insignificant.
Yes.
We have not calculated the effect but it would be significant as we have heavily invested in technology.
Yes
Not at this time
NO
Rough estimate
More costs with internal and external labor on revising the ERP tax engine automated process. It will also increase our day to day operating costs, as cloud computing services are widely utilized.
We have not attempted to quantify increased costs. As a matter of practice we ask any vendor selling us services to ensure that they are registered in MS and/or we self remit use tax.
minimal
Yes- Our organization could expect to experience an additional \$1500-\$2000 per year in taxes for all computer and online services, software subscriptions and computer equipment services.
Yes. We have assessed the potential impact to be between \$20,000 and \$30,000 per year.
We have not quantified the impact, but our members access internet-based software and services in every facet of their business. For independent contractor real estate agents, the impact will be a significant increase in the cost of doing business. Such a tax would have a significant impact on our Association's budget as well.

3. Does your organization have any industry-specific scenarios, services, or products that the Committee should consider addressing in detail as part of this process?
Cloud-based business management platforms that require maintenance fees to keep it up to date and, most importantly, secure. Machine operating systems that require regular maintenance fees to keep them up to date and secure. Softwares that requires continuous updates to change with external issues, opportunities, and threats.
No
<a href="https://www.forbes.com/sites/davidundercoffler/2021/12/31/buckle-up--subscriptions-are-coming-for-your-cars-best-features/?sh=615da335310b">https://www.forbes.com/sites/davidundercoffler/2021/12/31/buckle-up--subscriptions-are-coming-for-your-cars-best-features/?sh=615da335310b</a>
Yes, point of sale systems for restaurants and other retail businesses, and related services such as payroll.
Single EMR, HR and ERP system used by entities in different states
If it is to be taxed SAS is one thing which many states tax. However, software your company purchases that is located outside Mississippi and only accessed via the internet is the main issue. If you purchase software and locate it on a server in MS it is fully taxable even though your employees access it out of state. If the software is located out of state (not in MS), then it could result in double taxation as MS did not provide for a credit for tax paid in other state.
no
See answer to number 2. Accounting and legal services aren't subject to sales tax. Would accounting and legal software now be subject to sales tax or would they likewise receive an exemption? Are my legal forms and spreadsheets software? When do I cross that line?
Franchise service and softwares Multiple Listing services and softwares provided to members.
A sales tax should be charged for on-line purchases if an effective method of collection is devised.
Not sure.
Real estate services, such as the MLS, lockbox services using software and apps are at the very center of our business.
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No
Our firm uses almost entirely distributed data platforms and SAAS applications. Our staffing software Bullhorn is extremely expensive and state taxes on top of that our out of state competitors would not have to pay would put us at competitive disadvantage.
Yes, community bank core software providers.
This could include utility plant or platforms. We oppose general taxation of business inputs.
No
We are consumers of SaaS products, not developers.
NO
Exclude ALL non-profit organizations from this legislation

n/a
Yes, we do sell infrastructure as a service to some customers so they will see an increase in their costs.
how will licenses be addressed in the tax plan? Say a company purchases a \$5K software program and it comes with 10 user licenses that have a subscription cost per year. How is that quantified?
What if a company needs to purchase a \$5K or \$50K software system for their business. They know that Mississippi will charge them a tax, so instead of purchasing it in Mississippi, they purchase it in Tennessee and host the software in Tennessee. Mississippi not only does not get that new tech-tax, they also lost the sales tax and location of an asset at the same time.
no
Yes. Cybersecurity software is becoming a necessity in all lines of business. In fact, you can not obtain cyber insurance without installing very costly cybersecurity software. This software alone will cost my company over \$500k over the course of the year. I would ask that the Committee consider exempting such software from sales tax.
This is a long list but not an exhaustive list -- for our members: Multiple Listing Service systems, remote access lock box systems, online systems to set showing appointments, online agent safety apps, online transaction management systems, data storage systems, online customer management databases, online marketing software, online software for producing competitive market analyses, online mapping technologies, online software utilized by appraisers to produce appraisals, loan closing management systems used by mortgage brokers, online standard forms software, and I'm sure there are others. For the Association, our member database, online registration for courses and events, e-commerce system, online courses offered through our real estate school, etc.

4. What practical issues does your organization experience when trying to distinguish between purchases or use of software and data, whether on an internal or third-party basis? Are there situations where those items are so interrelated that they cannot be specifically distinguished?
Software and data are interchangeable and cannot be separated. At it's core, it is impossible to segregate and track. This is similar to taxing core operating necessities that are extremely unique and interrelated at the same time. Deciding what portion of software is a commercial input and what portion is not is impossible. Physical assets are purchased that require unique operating and programming modules that "continuously" retrieve data from multiple local, external, national, and international sources.
I think whether it's an application downloaded to the computer, or if it's cloud based and accessed only via the internet.
How to determine the allocation per site or state when a single EMR, HR and ERP system used by entities in different states
If it is an enterprise license (no set number of seats) then allocation is an issue. The state may not agree on the method utilized.

None
As a tax attorney, I sell "knowledge" and my legal opinion of that knowledge. As much as I try, I don't remember ever law and fact I've ever gathered and frequently look things up on various free, paid, and internal databases of those different knowledges. If tax is imposed on my gaining the knowledge and then I turn around and push that tax to my client, am I going to then subject my entire opinion or bill to sales tax? Some of the form assembly systems pose the same problem. I subscribe to the system, but my client is the ultimate beneficiary of the system and the software. It begs the question as to whether professional services should be exempt from sales tax to begin with. That's a tax policy question probably best left for another day so assuming you leave these services exempt, shouldn't the software associated with those services also be exempt?
Any levied tax toward MLS service providers and partners will be passed along to our Realtor Industry professionals
Presently, separating the two for tax collection purchases is not effectively possible.
Possibly.
we have to use another company's software to make our data systems work so in most cases, we purchase subscriptions or have contracts with the providers. We do not have an IT dept or IT person who can troubleshoot our own software programs so it is not an option. Our services and those provided by the software vendors are all interconnected and cannot be distinguished.
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1. None. 2. No.
Yes.
Given our size and unique industry, we rely on third party providers.
Distinguishing Software as a Service from Data services can be difficult.
We try to avoid using SaaS products for "production" systems. This way an unavoidable issue with our ISP services cannot create a revenue issue.
I don't know how we could track the differences in our industry. Most of the things we use except accounting software(and I think it is taxed as well) are already being taxed.
It can be difficult. Payroll Processing or Internet phone software (which already pays state taxes and fees. Would this be in addition?)
The biggest challenge our company faces as a whole is how to set up software contracts within our procurement system, and how they should be treated across all states.
None noted
yes
Software-as-a-Service (SaaS) software that is cloud based meshes software with data and is very interrelated.
Most of these systems have a set-up fee then either monthly, quarterly or annual subscription fees.

<p>5. What types of computer software sales and services (maintenance, programming, etc.) does your organization obtain via the Internet from third party providers?</p> <p>a. Have those providers historically collected Mississippi sales or use tax on those services?</p> <p>b. With respect to software that you access via the Internet, what if anything is actually downloaded onto your computers or servers that enable you to use those products remotely?</p>
<p>Production machine operating systems (internal and web-based), MRP business management systems (internal and web-based), Communications platforms (internal and web-based), every other aspect of business management.</p>
<p>Operating systems, browsers, application software</p> <p>a. Yes</p> <p>b. apps are downloaded to local machines</p>
<p>Our membership database is via the internet from a third party provider. We have not been paying sales or use tax on this. We strictly access through the internet. Nothing downloaded to computers.</p>
<p>We have a specific software system for job costing accounting which would be impacted with taxation.</p>
<p>HR/Payroll System - no MS use tax, nothing is downloaded in computers or servers</p>
<p>In prior years, the state has approved refund claims when use tax was paid on software located on a server located out of state and accessed only via the internet. If software is downloaded to a PC, then the whole transaction can be tainted and taxable.</p>
<p>none</p>
<p>Microsoft Office. Intuit. Adobe. Clio. Thomson Reuters. Kaspersky. Bloomberg. I download a lot more than most, but more services are starting to disallow that.</p>
<p>MLS Quickbooks Microsoft Franchise services and partnering softwares</p>
<p>There have been some cases where sales tax was charged, raising the question each time whether such fee was ever sent to the state.</p>
<p>a. No taxes currently being collected by vendors.</p> <p>b. Not sure if everything is downloaded onto servers located in a non-taxing state (outside of MS) or if some is on MS computers.</p>
<p>Our MLS vendor and our lockbox vendor as well as our accounting programs all work together and are obtained through the internet. They collect taxes on any tangibles we purchase through them such as actual lockboxes, but our contracts on the intangibles such as programming do not show if use tax is involved. Why would they when they own the programs and we pay to lease them.</p>
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<p>A. Don't know, insignificant. Would cost more to quantify than the amount. B. Don't know or care.</p>
<p>Literally dozens of applications. Several of the solutions are hybrid/tunnel applications that run local software with distributed data.</p>
<p>We have situations which lie in both arenas. Part of our software is housed online and accessed through secure services, while others are supported and reside on servers in our facility.</p>
<p>Our entire ERP system is accessed via the internet.</p>
<p>a. Yes they do.</p> <p>b. Sometimes they vendors have a "Thick Client" and/or a gateway server on our property. Most are simply web based.</p>



Accounting software, Dash cam footage is on the cloud from a server. a. Yes b. payroll service
Business Operating System, Finance System, Quality Control, Microsoft Office, Call Center System, Security System, Payroll, Inventory Management. Some have components downloaded on our servers.
Daily accounting ERP software and supply chain support software
Our historical stance has been to ask vendors to register in MS if they are selling us software accessed via the internet. If we can clearly distinguish that the software is maintained on servers outside the State we do nothing. If not, we self remit use tax as a matter of being conservative.
accessed via internet, hosted in another state, no sales or use tax collected in mississippi
Office software, cloud storage, data services, software subscriptions. a. no b. some software is downloaded and not only web-based
Cybersecurity, SaaS services (including email suite), Accounting software, Cloud-based database management software. a. Most do not collect MS sales tax. b. Only the Cybersecurity software actually downloads anything onto our end-user computers. Everything else is cloud-based SaaS services.
All of the services we utilize to maintain and service our technology have some sort of component that is downloaded. Some software services are taxed and some are not. Apps are downloaded, operating systems, local interfaces, etc. We'd have to examine every piece of software we use to answer this question.

6. What types of other professional services do you obtain via the Internet from third party providers that happens to use software, even if you are not using that software directly? a. What difficulties have you had in determining whether those are taxable or nontaxable in Mississippi? b. Have those providers historically collected Mississippi sales or use tax on those services?
Businesses will be forced into investing in more taxable software to attempt to identify taxable and non-taxable items. This will put immense pressure on the legislature to pass laws to prevent these unintended consequences. Software is such an inherent part of operating platforms and systems that it is not itemized by providers for tax purposes. This will cause a ripple effect throughout the entire industry nation-wide and internationally.
Anti-virus software, email filtering, network monitoring a. All are purchased through local resellers and are already subject to MS sales tax b. Yes
Many of our members utilize payroll services via the internet.
As Wayfair focused on tangible personal property and not services, only the software companies where software is downloaded started charging tax. There are instances where after the proposed regulation by MSDOR, software companies turned on the tax as a precaution.

none
Clio is legal billing software, which is accounting. I don't think sales tax is collected by them. Thomson Reuters and Bloomberg are legal and accounting research services. I don't think sales tax is collected by either of them either. Intuit is Quickbooks so again, accounting.
Multiple Listing Providers
In cases where sales tax was collected, it was undetermined whether the vendor reported such collection.
a. Currently not determining MS taxability as these types of services are sourced to a non-taxing state. b. No.
We get all of our software protection services, our online training programs, our syndication services for listings, are all internet based.
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A. None. B. Don't know or care.
Almost everything we use is not taxable for state purposes because the location of "software" is almost impossible to ascertain.
Unknown
This could impact IoT offerings and SmartHome services
None
Not sure I understand this question. Are you speaking of professional services that use software in their offices? I am very sure that most, if not all, do if so. a. We pay taxes on all services, per our accounting department. b. Yes
Quickbooks a. I have no idea b. dash cam providers have
Unsure to who this would apply
Legal, financial, environmental. These providers typically do not charge sales tax.
None noted.
project management software; data collection software; tax-exempt (government purchase)
cloud storage, databases, website plugins, website hosting a. I've never known they were taxable. b. No, I don't think so.
N/A
See list in #3; Looking at a sample of these vendors, some collect sales tax and some do not.

<p>7. What types of SaaS (software as a service) does your organization use?</p> <p>a. Do you usually have direct access to that software or just to the results of the third party's use of its own software?</p> <p>b. Are you able to determine the actual physical location of the underlying software resources that are used or the specific individuals who are providing those services?</p> <p>c. What difficulties have you had in determining whether those are taxable or nontaxable in Mississippi?</p>
<p>In general, this is an impossible term to define. Small business do not have the core talent to be able to navigate this and will be forced to outsource it, which will be yet another increase in operating costs.</p>
<p>N/A</p>
<p>We have direct use of the software.</p>
<p>HR/Payroll System - no MS use tax, nothing is downloaded in computers or servers. Direct access to the software. Not able to determine the actual physical location. HR/Payroll System is used by entities in multiple states</p>
<p>Companies struggle with that determination on enterprise software that has multiple modules.</p>
<p>RCC. none</p>
<p>None.</p>
<p>Undetermined. Must rely on the vendor whether a sales tax is due.</p>
<p>a. Not sure. b. Not sure. c. Currently not determining MS taxability.</p>
<p>Our MLS is a contract to use the results of a third party's use and maintenance of its own software. The resources are all physically located in the states and countries where the main servers of the providers are located. Have not determined the tax status on them.</p>
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<p>A. Both. B. Have not tried. C. None.</p>
<p>Yes. No. Substantial.</p>
<p>All off site software is housed out of state with redundancy. It would be difficult to determine the true location at any given moment.</p>
<p>ERP and operating systems</p>
<p>HR/Payroll (Kronos), Hotel Housekeeping/Facilities (HotSOS), CC Authorization, Minor Reporting app (OPTx), New casino app (Joingo), Anti-Phishing service (Barracuda), Office 365 (Microsoft)</p> <p>a. Direct Access b. Not normally c. I am told by our accounting team that we pay the tax on all services.</p>
<p>Dash cam service a. Use of the software b. No c. very difficult to determine if not being charged by the provider</p>
<p>Unsure how to interpret and apply in our situations.</p>
<p>Daily accounting ERP software and supply chain support software. Typically, all employees have access</p>

to these cloud based portals. To my knowledge, I am not able to locate the underlying resources.
None noted.
G-Suite from Google, Quickbooks, Quickbase (database application), mobile service order platform, Human Resources employee portal a. We have direct access to the software b. We are able to determine some of the locations, depending on who we purchase the SaaS service from. c. N/A
Microsoft Office 365; 7.a. depends on the software; 7.b. sometimes; 7.c. We've never explored this issue with our vendors.

8. What other types of non-software cloud computing resources does your organization use, such as PaaS (platform as a service), IaaS (infrastructure as a service), etc.? a. Have your vendors historically collected Mississippi sales or use tax on those services? b. Are you able to determine the actual physical location of those computer equipment resources?
Again, impossible to understand these terms. In many cases these services are integral and provided transparently as part of the end-service being provided. Asking vendors to separate it out would be impossible and would limit available services from providers that would otherwise be available in a true competitive environment.
None
N/A
Infrastructure services are typically a little easier to allocate.
none
None
Undetermined.
Not sure. a. No. b. Possibly.
don't know