



# CMI



## A PROFESSIONAL DESIGNATION IN SALES TAXATION

In 1984, the Institute for Professionals in Taxation (formerly Institute of Property Taxation) adopted a professional designation program, Certified Sales Tax Member (CSM), for qualified sales tax members. In 1998, the CSM was changed to CMI (Certified Member of the Institute).

The Institute for Professionals in Taxation, through its CMI designation program, is the first to recognize professional achievement in sales and use taxation. This designation is widely known as a mark of achievement and distinction in the sales and use tax field.

The major requirements for the Sales Tax Professional Designation include sales tax membership in the Institute, sales and use, excise, and/or gross receipts tax experience, attainment of prescribed educational requirements, and successful completion of both comprehensive written and oral examinations. In addition, after attaining the Sales Tax designation, certified members are required to continue their professional education by attendance at IPT and other approved educational programs.

### **OBJECTIVES**

The objectives of the Sales Tax Professional Designation program are to:

- Raise the professional standards and qualifications of those engaged in sales and use tax administration.
- Identify persons who have a thorough knowledge of the principles and practices of sales and use taxation, related disciplines and laws, and who meet prescribed requirements and manifest exemplary ethical standards of performance and conduct consistent with IPT's Code of Ethics.
- Improve the practice of sales and use tax administration through continuing education and professional development.

### **REQUIREMENTS FOR THE SALES TAX DESIGNATION**

Any Member of the Institute in good standing is eligible to become a Candidate for the Sales Tax Professional Designation. The member must also satisfy minimum experience and educational requirements, and pass written and oral examinations, as described below.

#### **1. Sales and Use Tax Experience**

A minimum of five years sales/use tax experience is required to take the Sales Tax professional designation examinations. Sales/use tax experience in one or more of the categories described below will satisfy this requirement. However, Candidates meeting only the minimum requirement may have difficulty passing the examinations. A broad spectrum of experience in these categories is strongly recommended for anyone seeking the designation.



The five-year minimum experience requirement is based on full-time sales/use tax activity. A Candidate, who works part-time, or who works full-time but whose duties are not limited to activities within the sales/use tax categories described below, will be awarded credit on an apportioned basis. Leave or other diversion from sales/use tax in excess of 3 months, and time spent in excess of a full-time work week, are not counted toward the experience requirement. Full-time means 37.5 hours per week.

The Candidate must personally accumulate the required sales and use tax experience; having supervisory or management responsibility over others, without being personally engaged in the functions described below, cannot be applied toward the experience requirement.

For purposes of these requirements "sales/use tax" includes sales, use, gross receipts, and other transaction excise taxes imposed by American state and local jurisdictions.

The categories of sales/use tax experience, and a description of each of them, are as follows:

- Audits – Consists of one or more of the following functions:
  - Managing, conducting, negotiating, or settling sales/use tax audits or issues with state and local officials;
  - Conducting, defending and settling counter/reverse sales or use tax audits;
  - Representing taxpayers through the sales/use tax appeals and litigation processes;
  - Representing states and/or local governments by managing, conducting, negotiating, or settling sales/use tax audits or issues with taxpayers.
- Tax Planning – Developing sales/use tax processes, procedures, activities, and policies to facilitate compliance with sales/use tax laws. Analyzing and developing transaction structures and business models so that the sales/use tax burden and/or compliance burden do not unnecessarily exceed legal requirements.
- Systems and Technology – Designing, developing, configuring, and implementing business processes and systems that use hardware and software technology to facilitate reliable sales/use tax processing and reporting and to assure availability of data required for sales/use tax audits.
- Research and Legislative – Consists of one or both of the following functions:
  - Research – Investigating statutes, jurisprudence, regulations or jurisdictional pronouncements through various sources to identify the sales/use tax consequences or to support the treatment for sales and use tax purposes of a specific transaction or business activity;
  - Legislative – Monitoring and/or analyzing legislation and the administrative activities of taxing authorities to evaluate the sales/use tax consequences of proposed laws or administrative changes as they affect a specific business or transaction.
- Compliance – Compiling and reconciling data necessary to prepare sales/use tax returns including gross sales, taxable sales, purchases subject to use tax, state and local sales and use taxes collected, available credits, and other pertinent data; determining the amount of tax due; preparing sales/use tax returns; remitting applicable taxes, filing for certificates of registration; managing sales/use tax rate changes; and managing exemption and resale certificates.



## 2. Education

Each Candidate must satisfy the following education requirements:

- A. Successfully complete the IPT Sales Tax School II. Sales Tax Members with five years of sales and use tax experience may challenge the School II final examination in lieu of attending the school. (For further information, contact the Institute office.)
- B. Attendance at an approved IPT Sales and Use Tax program (IPT Conference, Sales and Use Tax Symposium, Sales Tax School or Academy, or IPT/ABA Advanced Sales Tax Seminar) of at least 12 continuing education credit hours in length (a credit hour is 50 minutes);
- C. Acquire a minimum of 25 educational credits which can be electively earned by:
  - (1)(a) Attendance at a recognized college or university: two credits for each completed undergraduate year for a maximum of six credits, four additional credits upon the attainment of a baccalaureate degree; or (b) One credit for each year of sales and use tax work experience beyond the minimum five-year requirement. A maximum of ten credits will be allowed for (a) and (b) combined.
  - (2) Attainment of an advanced degree or approved professional designation: (a) an advanced degree (MA, MS, MBA, LLB, JD, or other approved advanced degrees), maximum of five credits; and (b) an approved professional designation (CPA, or similar qualifying professional designation), maximum five credits. A maximum of 10 credits will be allowed for (a) and (b) combined.
  - (3) Successful completion of sales and use tax, gross receipts tax, excise tax, accounting, auditing, statistics, tax research, or other related courses administered by recognized professional and educational organizations and approved by the Professional Designation Committee. Each course must have a minimum of 25 hours of instruction and a written examination. A maximum of five credits will be allowed per course.
  - (4) Attendance at other sales and use tax-related courses, seminars, etc. (e.g., report writing, audit review, systems analysis). Credits awarded are based on type of program and actual number of instructional hours. A maximum of three credits will be allowed per course.
  - (5) Attendance at additional IPT Sales & Use Tax Symposia and Advanced Sales and Use Tax Academies/Forums (not included in B above). A maximum of five credits per program will be allowed.
  - (6) Items (2) through (5) above are not intended to exclude other possible qualifying designations or courses of instruction. The Professional Designation Committee will screen applications and make decisions on credits based upon evidence offered for consideration by the Candidate. Non-IPT Courses submitted for consideration must include a descriptive copy of the program indicating which sessions were attended as well as a certificate of completion indicating education hours awarded.

## 3. Written and Oral Examinations

Upon completion of the experience and education requirements, a Candidate must pass written and oral examinations.



The comprehensive written examination will establish the experience and overall knowledge of the Candidate, covering in-depth sales and use, gross receipts and excise taxes and their administration, and the principles of accounting and law as they relate to sales and use taxation.

The oral examination will be in the form of an interview and is intended to test the Candidate's ability to demonstrate a clear and persuasive presentation and delivery, and the Candidate's overall knowledge of sales and use taxation, professionalism and ethical requirements. The oral examination will include a 15 minute presentation by the Candidate addressing a fact pattern involving sales and use tax issues that will be provided to the Candidate in advance of the oral exam. The Candidate will also be given guidance concerning the elements to be included in his or her presentation. Any written notes or materials used in preparation of the Candidate's presentation must be turned in after the presentation.

### **APPLICATION FOR THE SALES TAX DESIGNATION**

Members who seek the Sales Tax designation must submit an application for **Professional Designation Candidacy - Sales Tax** with the appropriate application fee to the IPT office. Prior to applying, the member should make efforts to ensure that all education and experience requirements have been satisfied, and satisfaction of these requirements should be indicated on the application. Upon submission of the application the member will be classified as a Candidate for the designation and the IPT staff and Professional Designation Committee will verify completion of requirements and notify the Candidate that the requirements have been satisfied (Eligible Candidates) or will identify any deficiencies or questions in that regard. All application requirements must be completed as prerequisites before the Candidate may sit for the exams. The application fee is non-refundable.

A member who lacks no more than three months of the five-year experience requirement may submit an application. However, at the time of the examinations, all Candidates will be required to certify that they have accumulated the full five years of required sales and use tax experience.

The examinations are generally administered at the location of the IPT Annual Conference and the Annual Sales and Use Tax Symposium, immediately before or after the program. IPT staff and the Professional Designation Committee must engage in considerable effort and advance planning prior to the administration of each examination. This includes coordinating the schedules of Professional Designation Committee members to assure sufficient members of the Committee are available to administer and grade the examinations. Therefore, in order to sit for an examination it is necessary that a member submit his or her application in time to facilitate completion of processing by the IPT staff and Professional Designation Committee, including review and verification that all requirements have been satisfied, well in advance of the examination date. Members are encouraged to follow the timetable below if they wish to be assured an opportunity to sit for an examination on a particular administration date:

- Submission of application – no later than 90 days in advance of the examination date.
- Notification to IPT staff that the Candidate has satisfied any missing requirements staff has identified – no later than 45 days in advance of the examination date.
- Notification to IPT staff that the Eligible Candidate intends to sit for an examination – no later than 30 days in advance of the examination date.



If a member is unable to adhere to this timetable, IPT will be unable to plan adequately for the administration of the examination to the member. Efforts may be made to accommodate members in exceptional circumstances; however, there is no guarantee that this will be possible and a determination will generally not be made until very shortly before the examination date. The cooperation and understanding of members in observing the timetable is needed to facilitate an orderly examination process.

All applicants have six consecutive testing opportunities from the date of application to complete the requirements for the examinations and pass the examinations, without the need to reapply. If an applicant does not complete the requirements during this period, he or she may reapply under the policies in effect at the time of the new application. Both the written and oral examinations must be passed during the same candidacy period.

### **AWARD OF THE SALES TAX DESIGNATION**

After the Candidate satisfactorily completes all requirements, the Professional Designation Committee will approve and recommend the Candidate to the Board of Governors for award of the sales tax designation.

### **EVIDENCE OF THE DESIGNATION**

Each CMI designee will receive a certificate of designation and an emblem pin. All evidence of the designation issued to a member will remain the property of the Institute and shall be returned promptly to the Institute upon request by the Board of Governors, if the CMI designation is suspended or terminated for any reason.

### **ANNUAL FEE**

A fee is assessed annually to all CMI designees to cover the costs of administering the CMI program. The initial assessment will be made in the calendar year following the year the designation is conferred by the Board of Governors.

### **USE OF THE CMI DESIGNATION**

In keeping with the purpose of the designation to identify tax professionals that have achieved a level of expertise in the discipline, a designee may use the designation as he or she deems appropriate, subject in all events to the IPT Code of Ethics. A person who does not hold the CMI designation, including a person who has applied for the designation but has not been awarded it and a person whose CMI designation has been revoked or placed in inactive status, shall refrain from using or displaying the designation in any way, including in correspondence, testimony, or biographical material, and shall not otherwise hold-out or imply that such person holds the designation.

### **RETENTION OF DESIGNATION**

CMI professional designation status is not the same as Institute membership status. CMI status is dependent on membership status; however, CMI status is separate and may be different than membership status under certain circumstances. There are four different CMI status options (Active, Inactive, Semi-retired, and Retired), as explained below.

**Active Status:** Any member who has been awarded the CMI designation retains the designation with all rights and privileges so long as IPT membership is maintained, CMI dues are timely paid, the IPT Code of Ethics is complied with, and the continuing education requirements are fulfilled on schedule.



**Inactive Status:** If the IPT membership of a designee is discontinued for any reason and such person remains a non-member for six months or more, the designation shall be placed in inactive status. During any period of inactive status all rights and privileges of the designation are automatically suspended, as is the requirement to pay CMI dues. The designation will be considered inactive until IPT membership is reinstated and the designee applies for active status in writing and meets all requirements for reactivation. The application must show that the applicant has accumulated continuing education credits sufficient to satisfy the IPT Continuing Education Requirements during the five years immediately preceding the date of the application. Notwithstanding the deadlines otherwise prescribed for submission of forms and other documentation identified in the Continuing Education Requirements, these materials may be submitted with the application for reactivation of the designation. The application must be accompanied by a fee of \$150 and sent to the Executive Director of IPT. If the Executive Director or his designee determines that the application is in compliance with these requirements, the applicant will be notified that the designation has been reactivated. In cases of doubt, the application may be referred to the Professional Designation Committee for recommendation to the Board of Governors. If the application is insufficient, the applicant will be notified of the deficiencies. Following reactivation of the designation, the member's next five year continuing education reporting period will begin on the next January 1. A member, whose designation became inactive as provided herein, must secure a reactivation of the designation within five years following reinstatement of IPT membership. Failure to comply with this requirement will result in revocation of the designation, and it may be restored only in accordance with the Continuing Education Requirements.

**Semi-Retired Status:** Any designee, who is no longer employed on a full-time basis, but performs incidental or temporary work in sales and use taxes which represents less than ten percent of full-time work, may retain the designation with all rights and privileges so long as IPT membership is maintained, CMI dues are timely paid, and the IPT Code of Ethics is complied with. The continuing education requirements will be waived.

**Retired Status:** Any designee, who is fully retired, may retain the designation and all requirements will be waived, including payment of any professional designation dues.

## **ADMINISTRATION**

The Institute's professional designation programs are administered by the Professional Designation Committee. Members of the committee must have distinguished themselves by obtaining an Institute professional designation and are appointed by the IPT President.

## **CONTINUING EDUCATION REQUIREMENTS**

Continuing education is essential for professional growth. Each CMI is required to accumulate 60 hours of continuing education credit every five years. These 60 hours must include at least 30 hours devoted specifically to Sales taxation matters, including 5 hours devoted specifically to IPT approved ethics. Of these 5 IPT approved ethics hours, 3 must be earned at IPT programs. At least 12 hours at one IPT Conference, IPT Sales and Use Tax Symposium, IPT Sales Tax School or Academy, or IPT/ABA Advanced Sales Tax Seminar must be attended during the five-year period, and is included in the 30-hour specialty requirement. Continuing education requirements are based solely on attendance at structured educational programs. Other types of courses, symposia, and seminars considered to meet the continuing education requirements include, but are not necessarily limited to, the following: administration; appraisal; assessment; accounting; building and construction; business law; computer technology; finance; management; mathematics; real estate; and statistics. Other subjects will be considered on an individual basis.



Successful completion of an attendant examination is not required. Conversely, successful completion of an attendant examination is not acceptable in lieu of attendance.

Classroom hours attended will determine the amount of credit earned on an hour-for-hour basis with an hour defined as 50 minutes. This includes all IPT Symposia, Seminars, Schools, Academies, and Annual Conferences. A maximum number of hours are established per educational program based upon session content. A maximum of 30 credit hours will be awarded for full attendance at any one program, including IPT Sales Tax Schools. Speakers/instructors will be awarded double credit for actual presentation time. Each IPT sponsored local luncheon will earn credit hour-for-hour based on the length of the presentation, with a maximum of three credit hours given for each luncheon.

Non-classroom learning activities, such as Internet-based and other correspondence training, may qualify for continuing education credit if the activity meets the following requirements: 1) Continuing education hours recommended by the sponsor of the program must be based on a pilot study of the average completion time for the course. 2) Hours of credit granted by IPT cannot exceed the actual time devoted to the learning activities. **3) Participants must pass an examination as evidence of successful completion before receiving credit hours for the course.**

Each CMI is responsible for filing the required **Application for Continuing Education Credit** form with the Institute for the previous calendar year no later than sixty days following the receipt of the annual status report provided by IPT. For programs other than IPT, written verification of attendance from the instructor or sponsor representative must be submitted. **Continuing Education Submitted for Non-IPT Programs without this application form will be returned without processing.** Credit must be earned during the designee's current five-year calendar period. Excess credits granted during any five-year period may not be carried forward.

Failure to meet the Continuing Education Requirements listed above will result in automatic revocation of the designation, effective immediately upon expiration of the applicable five-year reporting period. Upon revocation, all rights and privileges of the designation are discontinued. However, if a designation has been revoked for failure to comply with Continuing Education Requirements, an active IPT member may apply for restoration of the designation. The application must show that the applicant has accumulated continuing education credits sufficient to satisfy the IPT Continuing Education Requirements during the five years immediately preceding the date of the application. Notwithstanding the deadlines otherwise prescribed for submission of forms and other documentation identified in the Continuing Education Requirements, these materials may be submitted with the application for restoration of the designation. The application must be accompanied by a fee of \$150 and sent to the Executive Director of IPT. If the Executive Director or his designee determines that the application is in compliance with these requirements, the applicant will be notified that the designation has been restored. In cases of doubt the application may be referred to the Professional Designation Committee for recommendation to the Board of Governors. If the application is insufficient the applicant will be notified of the deficiencies. Following restoration of the designation, the member's next five year continuing education reporting period will begin January 1 of the following year.

### **INSTITUTE FOR PROFESSIONALS IN TAXATION**

The Institute for Professionals in Taxation is a nonprofit educational organization (501(c)(3)) with a primary focus on property, sales/use, and state/local income/franchise tax issues affecting business. The Institute is dedicated to enhancing the professional development of its members,



promoting the uniform and equitable administration of state and local taxation, and minimizing the costs of administration and compliance.

## **CODE OF ETHICS \***

### **PREAMBLE**

The Institute for Professionals in Taxation has established this Code of Ethics to govern the conduct of members in connection with the performance of their professional duties as tax professionals and as members of IPT.

As tax professionals, the members of IPT have an obligation for the competence and integrity of their work and conduct.

Each member of IPT is bound by this Code of Ethics and agrees to report to the Committee on Professional Ethics any violation of the Code known to such member.

An IPT member having supervisory responsibility for other tax professionals should make those subordinates aware of this Code of Ethics and instruct them to adhere to its provisions.

The Committee on Professional Ethics, and in the event of an appeal, the Board of Governors, interprets the provisions of this Code in rendering opinions and in conducting investigations and hearings pursuant to regulations and procedures established by the Board.

### **CANONS**

1. IT IS UNETHICAL to engage in any conduct that discredits IPT, its membership, or the tax profession.
2. IT IS UNETHICAL to engage in any activity that results in a conviction of any crime committed in connection with the member's involvement in a tax matter.
3. IT IS UNETHICAL to operate beyond the boundaries of an agreed relationship with an employer or client.
4. IT IS UNETHICAL for a member of IPT to state or imply that such member represents a person that the member does not represent, or to file any document on behalf of such person without authorization.
5. IT IS UNETHICAL to disclose confidential employer or client documents or information except with the consent of the employer or client or as required by law.
6. IT IS UNETHICAL to offer or give anything of value to a public official to induce that official to take any action with respect to a tax matter.
7. IT IS UNETHICAL to offer or give anything of material value to an individual in an employment, advisory or representative relationship with a business to induce that individual to recommend the purchase of goods or services by the business, and IT IS UNETHICAL for such individuals to receive such value.
8. IT IS UNETHICAL to pay, retain, or accept a share of a fee or other monetary compensation for the referral of a person to another for the provision of tax services in which the recipient of such compensation does not participate, unless advance notice is given to the person for whom such services are to be performed. The amount of the compensation for the referral need not be disclosed unless requested by the person for whom the services are to be performed.



9. IT IS UNETHICAL to solicit a tax assignment by assuring a specific result or to solicit, assign, accept or perform a tax assignment that is conditioned upon producing a preconceived opinion or conclusion.
10. IT IS UNETHICAL to initiate or pursue an appeal, protest, refund claim or other action on behalf of a taxpayer for which there is known to be no basis in fact or law. When the basis is unknown, the determination of whether a basis in fact or law exists must be made as soon as reasonably possible.
11. IT IS UNETHICAL for a member, in the performance of a tax assignment, to fail to exercise independent judgment in advising and representing a client.
12. IT IS UNETHICAL in the performance of a tax assignment to knowingly furnish or knowingly rely upon inaccurate, deceitful or misleading information, or to knowingly withhold information which lawfully should be revealed.
13. IT IS UNETHICAL to prepare or use in any manner, for any purpose, a resume or statement of professional qualifications that is misleading or false.
14. IT IS UNETHICAL in promoting a tax practice or soliciting tax assignments to make misleading or false representations.
15. IT IS UNETHICAL to use client listings or references without specific authorization.
16. IT IS UNETHICAL to state or imply IPT authorization, endorsement or approval of any business, product or service.
17. IT IS UNETHICAL in any representation of fact to IPT, in a membership application, renewal form, or otherwise, to knowingly furnish inaccurate, deceitful, or misleading information, or to knowingly withhold material information.
18. IT IS UNETHICAL for a member having supervisory responsibility for another tax professional to knowingly authorize, direct, permit or ratify any subordinate's act or omission that is declared unethical by this Code, regardless whether the subordinate is a member of IPT.
19. IT IS UNETHICAL to represent a client if such representation would be, or would risk being, adverse to the interests of another client unless each affected client gives informed written consent to such representation.
20. IT IS UNETHICAL to have, acquire, or seek a personal interest in a matter that is adverse to the interests of a client or employer.

[Adopted by the Board of Governors on September 28, 1976, and amended on April 28, 1991, November 9, 2002, March 6, 2004, and November 2, 2008 (the November 2, 2008 changes became effective January 1, 2009).]

For further information on the Sales Tax Professional Designation or the Institute, contact:

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*Effective September 1, 2010. This issuance supersedes all others on the Sales Tax Professional Designation.*