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## Overview

Imposes civil penalties for manufacturers and sellers of automated suppression devices or “zapper” devices designed and used to avoid sales tax. Also establishes a felony criminal penalty for the manufacture, sale, purchase, installation, and transfer, possession, accessing, or knowing use of an automated sales suppression device or “zapper.” This is similar to the provision included in the vetoed 2016 omnibus tax bill and is the language included in the Department of Revenue 2017 policy bill.

Effective for activities occurring on or after August 1, 2017.

### Section

- 1 Use of automated sales suppression devices.** Defines automated sales suppression device, “zapper,” and “phantom-ware” as software programs that falsify the electronic records of cash registers or create a second set of transaction records. These falsified or duplicate records are used to support underpayment of sales taxes on the actual transactions. Also defines “transaction data” and “transaction report.”
- 2 Sales suppression.** Imposes a civil penalty on anyone making, distributing, or possessing a sales suppression device or similar item equal to the greater of: (1) \$2,000; or (2) the amount of underreported sales tax due to the use of a sales suppression or similar item.

Effective for activities occurring on or after August 1, 2017.

**Section**

**3**        **Felony.** Establishes that anyone making, distributing, possessing, or knowingly using a sales suppression device or similar item is guilty of a felony. The penalty is up to five years in prison, a fine of up to \$10,000, or both.

Also makes an automatic sales suppression device contraband and subject to forfeiture under section 4.

Effective for activities occurring on or after August 1, 2017.

**4**        **Weapons, cloning paraphernalia, automated sales suppression devices, and bullet proof vests.** Adds automated sales suppression devices to the list of items automatically subject to forfeiture.

Effective for activities occurring on or after August 1, 2017.