



DIRECT SELLING ASSOCIATION

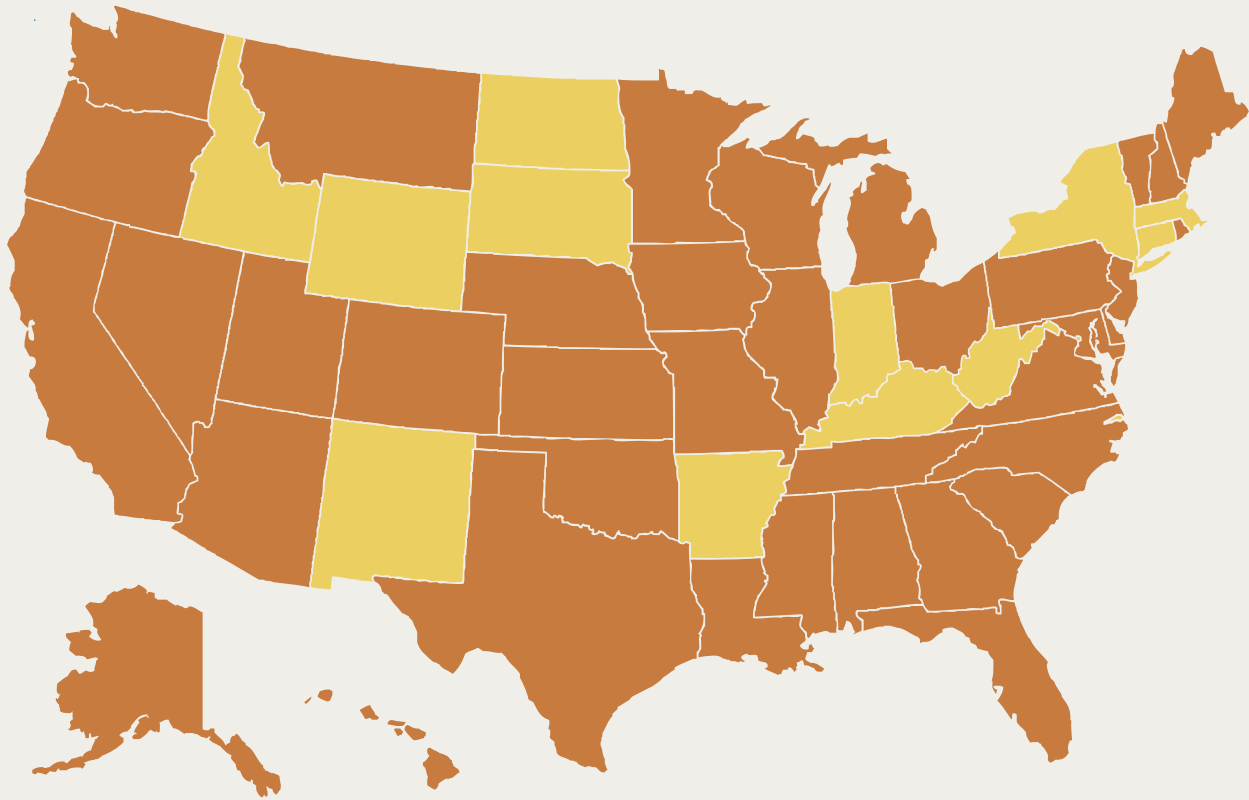
Increased Clarity Needed to Define Direct Sellers as Independent Contractors

FEDERAL

Direct sellers are defined as independent contractors under 26 U.S.C. § 3508 (1982) for federal tax purposes.

STATE

All 50 states recognize direct sellers as independent contractors under various tests. The majority of states, 38, specifically and clearly define direct sellers as independent contractors.



KEY

■ 38 states clearly define direct sellers as independent contractors. ■ 12 states lack sufficient legal clarity.

Your support of a specific direct seller definition for unemployment compensation will provide clarity and consistency to the business community and regulators.