



DIRECT SELLING ASSOCIATION

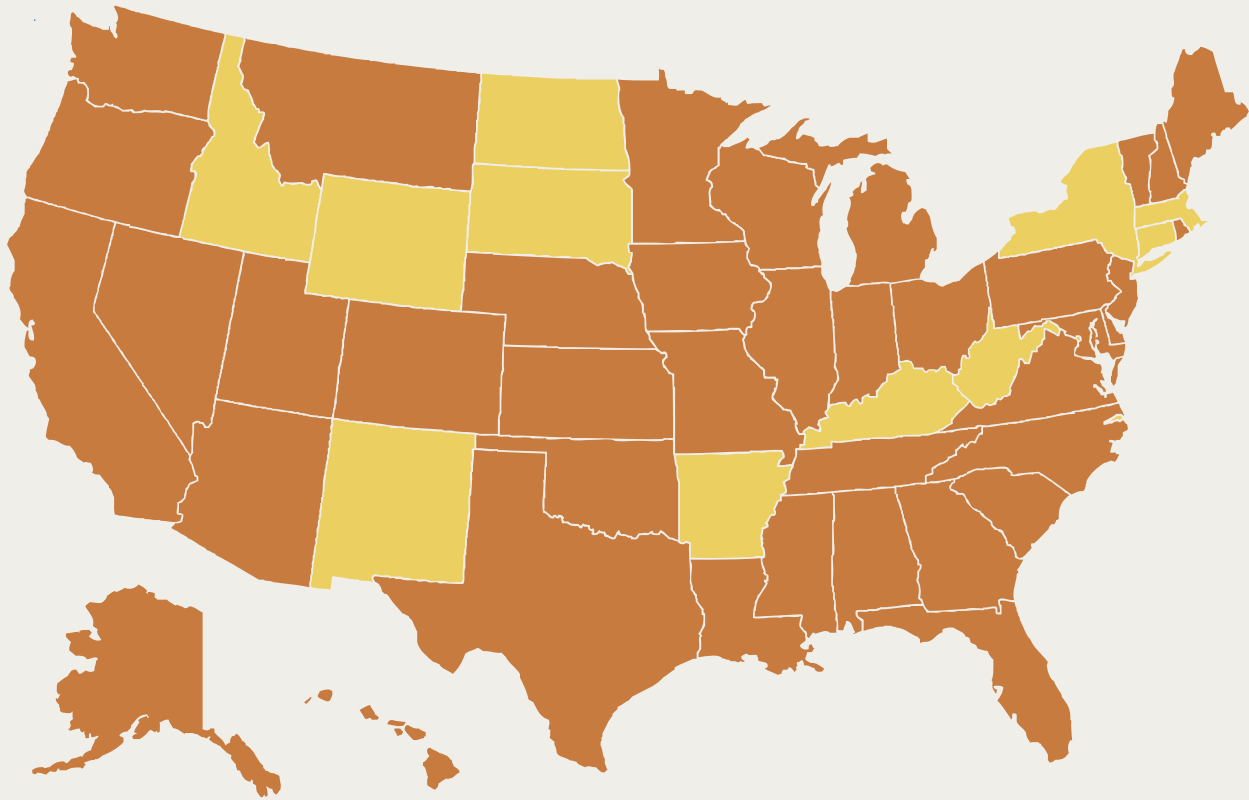
# Increased Clarity Needed to Define Direct Sellers as Independent Contractors

## 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, 39, specifically and clearly define direct sellers as independent contractors.



### KEY

■ 39 states clearly define direct sellers as independent contractors. ■ 11 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.*