

VI.

**LIST OF EXHIBITS TO FINAL REPORT OF HEARING OFFICER REGARDING
PROPOSED MULTISTATE TAX COMMISSION
FORMULA FOR THE UNIFORM APPORTIONMENT OF
NET INCOME OF FINANCIAL INSTITUTIONS**

The following documents are Exhibits to the "Final Report of Hearing Officer Regarding Proposed Multistate Tax Commission Formula for the Uniform Apportionment of Net Income from Financial Institutions". There are approximately 2000 pages of Exhibits to this Final Report. The symbol "#" indicates that the particular Exhibit has also been attached to the Final Report. All of the Exhibits are on file with the Multistate Tax Commission and copies of them may be obtained upon written request.

EXHIBITS

EXHIBIT A: RECOMMENDED APPORTIONMENT FORMULA #

EXHIBIT B: PRE-MAY 10, 1990 PROCEEDINGS

1. Initial Draft Proposal of Regulation (July 1987) #
2. Letter from Haskell Edelstein
(Citicorp) (September 19, 1988)
3. Letter from Henry Ruempler
(American Bankers Association) (October 4, 1988)
4. Letter from Philip M. Plant
(Bank of America) (October 14, 1988)
5. Letter from Jim A. Peterson
(Moore Financial Group) (October 17, 1988)
6. Letter from Robert W. Shank
(Benjamin Franklin Federal Savings
and Loan Association) (November 2, 1988)
7. Letter from Sheila J. Slaughter (California League of Savings
Institutions) (November 11, 1988)

8. Letter from Albert A. Wolf
(Wheeler, Wolf, Peterson, Schmitz,
McDonald & Johnson) (November 14, 1988)
9. Letter from Richard L. Sprunger
(California Federal Savings and Loan Association)
(November 14, 1988)
10. Letter and Minutes from Philip M. Plant
(Bank of America) (December 30, 1988)
11. Letter from Philip M. Plant w/ "Proposed Amendments 1/89"
(Bank of America) (January 6, 1989)
12. March 1989 Draft Proposal
w/strikeouts and underlining reflecting Philip Plant's
recommendations (March 1989) (prepared by MTC)
13. Minutes of April 19, 1989 Meeting - Chicago, IL
14. Proposed Revisions to MTC's Draft Regulations from Eugene
Mason (First Bank System, Minneapolis, MN)
(April 1989)
15. Letter from James A. Fry*
(South Dakota Department of Revenue)
(May 5, 1989)
16. Letter from J. Daniel Vandermark
(Norwest Corporation) (May 10, 1989)
17. Minutes of June 22, 1989 Meeting - Atlanta, GA
18. Letter from Sheila J. Slaughter
(California League of Savings Institutions)
(July 11, 1989)
19. Letter from Jonathan W. Allen
(Wachovia Bank & Trust Company (July 11, 1989)
20. Letter from Luc Noiset (ACIR) (August 19, 1989)
21. Memorandum from Alan H. Friedman
and Paull Mines (MTC) (September 11, 1989)

22. Letter from Marvin C. Umholtz
(Credit Union National Association, Inc.)
(November 20, 1989)
23. Letter to various financial institutions
organizations (November 20, 1989)
24. Minutes of December 12, 1989 Meeting -
Washington, D.C.
25. Letter from Donald Kinley
(First Commerce Bankshares, Inc.)
(December 20, 1989)
26. Letter from Robert F. McCammon Jr.
(CoreStates Financial Corp.) (December 21, 1989)
28. Letter from Daniel N. Leiter
(The Chase Manhattan Bank, N.A.)
(December 21, 1989)
29. Letter from Marie Cutillo
(First Financial Savings Bank) (December 28, 1989)
30. Letter from Stephen R. Cameron
(First National Bank of Louisville) (December 29, 1989)
31. Letter from Gary S. Austin
(National City Corporation) (December 29, 1989)
32. Letter from Philip M. Plant
(Bank of America) (March 27, 1990)

EXHIBIT C: RESOLUTIONS OF MULTISTATE TAX COMMISSION EXECUTIVE COMMITTEE

1. Resolution dated May 10, 1990 #
2. Resolution dated November 9, 1990 #

EXHIBIT D: NOTICES OF PUBLIC HEARINGS AND ATTENDANCE LISTS

1. Notice of Public Hearing and Statement of Mailing
2. Copy of Notice of Public Hearing - ABA Banker's Weekly, Vol. 9, No. 29 (July 24, 1990)
3. Notice of Public Hearing - Updated
4. Proposed definition of "finance leasing"

EXHIBIT E: INTERIM REPORTS OF HEARING OFFICER

1. Interim Report of Hearing Officer (November 9, 1990)
2. Interim Report of Hearing Officer (May 10, 1993) #
3. Partial and Interim Report of Hearing Officer (April 12, 1994)

**EXHIBIT F: PARTICIPANT LISTS AND AGENDAS:
STATE/INDUSTRY MEETINGS GROUP (SIMS)**

1. Statement by Dan R. Bucks, Executive Director, Multistate Tax Commission to State/Industry Meetings
2. State/Industry Meetings (SIMS) Agenda, San Francisco, CA (July 15-16, 1991)
3. State/Industry Meetings (SIMS) Agenda, New York, NY (April 29-30, 1992)

4. State/Industry Meetings (SIMS) Agenda, Chicago, IL (November 23-24, 1992)

EXHIBIT G: AGENDA: MTC/FTA FINANCIAL & INSTITUTIONS BUSINESS WORKSHOP

EXHIBIT H: WORKING MATERIALS: STATE SUBCOMMITTEE ON APPORTIONMENT OF INCOME FROM FINANCIAL SERVICES

1. Agenda for Conference Call (January 24, 1992)
2. Agenda for Conference Call (February 11, 1992)
3. Report of Subcommittee on Apportionment of & Income from Financial Services (Alan Friedman) (March 30, 1992) with following attachments:
 - Attachment 1: Money-center state proposal
 - Attachment 2: Market-state KISS Compromise
 - Attachment 3: Chart of proposals
 - Attachment 4: Minutes of State Subcommittee New York Meeting (Alan Friedman)
4. Memorandum re California Discussion Proposal (Eric Coffill) (April 24, 1992)
5. Memorandum re Bank Apportionment Formula (Michael Boekhaus) (May 29, 1992)

**EXHIBIT I: WORKING MATERIALS: STATE/INDUSTRY
FINANCIAL WORKING GROUP (S/IFWG)**

1. Memo to S/IFWG members (Alan Friedman) #
(May 6, 1992)
2. Memo to S/IFWG members (Alan Friedman) #
(May 18, 1992)
3. Memo to S/IFWG members (Alan Friedman) #
(May 17, 1992)
4. Memo to S/IFWG members (Alan Friedman)
(June 4, 1992)
5. Memo to Teams 15-18 (with attachments from other
Teams) (Alan Friedman) (September 2, 1992) (with later
generated documents also being incorporated)

**EXHIBIT J: TESTIMONY, DOCUMENTS AND LETTERS
SUBMITTED DURING PUBLIC HEARING PROCESS**

1. Testimony of Paul Claytor
(American Bankers Association) (August 21, 1990)
2. Testimony of Fred E. Ferguson
(Financial Institutions State Tax Coalition (FIST))
(August 21, 1990)
3. Testimony of Daniel Egan
(Credit Union National Association and Affiliates)
(August 21, 1990)
4. Memorandum from Edward N. Delaney
(Edward N. Delaney & Associates) (August 21, 1990)
5. Testimony of Haskell Edelstein
(Citicorp/Citibank) (August 21, 1990)

6. Outline of comments by Philip Plant
(Bank of America) (August 23, 1990)
7. Memorandum from Credit Union National
Association, Inc. (September 3, 1990)
8. Letter from John R. Engler
(Security Bank & Trust) (October 3, 1990)
9. Comments by David Danielson
(Washington Society of CPAs) (November 16, 1990)
10. Testimony of Bruce Baker
(Dean Witter Financial Services Group)
(December 3, 1990)
11. Testimony of Ron Schreiner
(Secretary of Revenue of South Dakota)
(December 4, 1990)
12. Comments of Tom Neubig
(FIST) (December 4, 1990)
13. Testimony of Marcia Dieter
(Washington Bankers Association)
(December 7, 1990)
14. Letter from Robert F. McCammon Jr.
(CoreStates) (December 19, 1990)
15. Letter from Fred E. Ferguson (FIST)
(January 21, 1991)
16. Letter from Philip M. Plant
(Bank of America) (April 8, 1991)
17. Report by Thomas S. Neubig on "The Economic Effects
of One State Enacting Destination Source Taxation of
Financial Institutions (April 18, 1991)
18. Letter from Haskell Edelstein
(Citicorp/Citibank) (May 2, 1991)

19. Report of American Bankers Association on "Facts and Issues Concerning State Taxation of Commercial Banks (1991)
20. Letter from James H. Paige, III (Secretary, West Virginia Department of Taxation and Revenue) (January 15, 1992)
21. Memorandum from Joe Huddleston (Commissioner of Revenue, State of Tennessee) (April 15, 1992)
22. Letter from Douglas L. Whitley (Director, Illinois Department of Revenue) (August 27, 1992)
23. Letter from Maskell Edelstein ((Citicorp/Citibank, N.A.) (October 29, 1992)
24. Letter from Anne H. Dougherty (Assistant General Counsel, Revenue Department, State of Tennessee) (April 27, 1993)
25. Comments of the Franchise Tax Board of the State of California re MTC Proposal submitted by Ben Miller, Counsel, Multistate Tax Affairs (June 4, 1993)
26. Letter from Fred E. Ferguson (FIST) (June 11, 1993)
27. Letter from Brenda Jo Seipel (Credit Union National Association, Inc. (June 11, 1993)
28. Letter from Kim Burse (Secretary, Kentucky Revenue Cabinet) (July 12, 1993)
29. Testimony of Barbara Davis # (Credit Union National Association) (July 15, 1993)
30. Testimony of Doug Duerr (National Association of State Credit Union Supervisors) (July 15, 1993)

31. Statement by Norma J. Lauder
(First National Bank of Chicago) "Historical Perspective
on Multistate Taxation of Financial Institutions"
32. Letter from Fred E. Ferguson (FIST) (July 29, 1993)
33. Letter from Brenda Jo Seipel
(Credit Union National Association, Inc.)
(August 11, 1993)
34. Letter from Ron Schreiner #
(Secretary of Revenue of South Dakota
(September 28, 1993)
35. Letter from John B. Rice (Coopers & Lybrand)
(September 28, 1993)
36. Testimony of Linda A. Kern #
(American Bankers Association)
(September 30, 1993)
37. Letter from Brenda Jo Seipel
(Credit Union National Association, Inc.)
(September 27, 1993)
38. Testimony of Donald N. Adler #
(Chairman, American Financial
Services Association) (September 30, 1993)
39. Statement of Jonathan Robin
Assistant Commissioner, New York City
Department of Finance) (September 30, 1993)
40. Statement of Jeffrey Serether
(Citibank/Citicorp and FIST)
(September 30, 1993)
41. Statement of Thomas G. Siciliano
(Credit Union National Association
and New York State Credit Union League)
(September 30, 1993)

42. Letter from John J. Quick
(Beneficial Management Corporation)
(October 26, 1993)
43. Letter from Brenda Jo Seipel
(Credit Union National Association, Inc.)
(November 1, 1993)
44. Letter from Roy E. Crawford
(American Bar Association Banking
and Savings Institutions Committee
and State and Local Tax Committee)
(November 3, 1993)
45. Letter from Henry Ruempler
(American Bankers Association)
(November 18, 1993)
46. Letter from Fred E. Ferguson (FIST)
(November 19, 1993)
47. Letter from Ben Miller and Mike Brownell
(California Franchise Tax Board)
(December 15, 1993)

EXHIBIT K: ARTICLES, PAMPHLETS AND OUTLINES

1. Advisory Commission on Intergovernmental Relations,
"Monitoring and Working Group on State Taxation and
Regulations of Banks", July 7, 1989 (briefing paper
and collection of presentations and articles)
2. Advisory Commission on Intergovernmental Relations, "State
Taxation of Banks: Issues and Options", Report M-168 dated
December, 1989
3. American Bar Association, Committee on Banking and
Savings Institutions, "Tax Section Recommendation No. 1981-
3", Tax Lawyer, Vol. 34, No. 3, Spring 1981, p.861

6. Brooks, Jennifer S., "State Taxation of Financial Institutions," Chapter 3, Proceedings of the Second Annual Institute on State and Local Taxation, New York University (Albany: Matthew Bender and Co., Inc.), 1984
7. Douglas, Carol, "State Officials Debate Methods of Taxing Financial Institutions", Tax Notes, December 25, 1989
8. Duffy, Susan G. and Judson, C. James, "State and Local Taxation of Financial Institutions: An Opportunity for Reform," Vanderbilt Law Review, May 1986, pp. 1057-1080
9. Edelstein, Haskell "White Paper on the Need for Federal Legislation Placing a Two Year Moratorium on Nondomiciliary State Taxation of Financial Institutions", Bank Administration Institute - Multistate Taxation of Banking (November 19, 1990)
10. Edelstein, Haskell, "Multistate Taxation - Internecine Warfare Among the States", undated outline
11. Edelstein, Haskell, "State Taxation of Financial Institutions - A Fresh Approach" (July 5, 1991)
12. Edelstein, Haskell, "Multistate Taxation of Financial Services - Understanding the Nature and Dynamics of the Business of Lending" (January 16, 1991)
13. Federal Deposit Insurance Report Package and related documents
14. Federal Deposit Insurance Corporation, "Statistics on Banking 1987"
15. Ferguson, Fred E., "State Taxation of Financial Institutions", Bank Administration Institute - Multistate Taxation of Banking (November 19, 1990)
16. Ferguson, Fred E., "Comments on behalf of the Financial Institutions State Tax Coalition, Bank Administration Institute - Multistate Taxation of Banking (November 19, 1990)

17. Fox, William F., "Taxation of Financial Industries in an Era of Change", research paper prepared for the Arizona Joint Select Committee on State Revenues and Expenditures, preliminary draft dated March 29, 1989
18. Fox, William F., "The Economic Impact of State Taxation and Regulation on Banking", undated
19. Fox, William F., "Draft: Alternatives for Modernizing the Massachusetts Bank Tax Structure", State Tax Notes, July 12, 1993, pp.96-121
20. Hellerstein, Jerome R., "Division of Income of Special Businesses--Financial Businesses," State Taxation: Corporate Income and Franchise Taxes, (Boston: Warren, Gorham, and Lamont), 1983, pp. 663-679
21. Huddleston, Joe B., Commissioner, Tennessee Department of Revenue, "How Tennessee Approaches the Taxation of Financial Institutions"
22. Hunter, William J., "An Economic Analysis of the Market State Approach for the Taxation of Income Earned by Out-of-State Banks"
23. Jagiela, John S. and Culhane III, Martin A., "A Taxing Situation for Out-of-State Financial Institutions: Minnesota Sets the Stage by Adopting MFC Proposed Regulations," Journal of State Taxation, Spring/Summer 1989, pp. 35-69
24. Judson, C. James and Giseburt, Dirk (Davis Wright Tremaine), "State Taxation of Banks and Other Financial Institutions" (November 1, 1990)
25. Kaltenborn, Marilyn M., "Is New York's Bank Tax Ready for the 1990s?," Journal of State Taxation, Fall 1985, pp. 225-234
26. Kaltenborn, Marilyn M. and Friedman, Alan H., Outline of Presentation to Federation of Tax Administrators, "The Apportionment of Income from Financial Institutions" (June 10, 1992)

27. Kiely, Rep. Patrick J. and Loftus, Joseph E., "Indiana's New Franchise Tax on Financial Institutions: Justification for the Statutory Change", undated handout
28. Kincaid, John and McCray, Sandra B., "State Taxation and the Rise of Interstate Banking: A Survey of States," Intergovernmental Perspective, Fall 1988, pp. 18-22
29. Kincaid, John and McCray, Sandra B., "A Survey of State Taxation of Interstate Banking", Tax Notes, November 28, 1988
30. King, B. Frank, Tschinkel, Sheila L. and Whitehead, David D., "Interstate Banking Developments in the 1980's", Economic Review, May/June 1989, p. 32-51
31. Kramer, Jörg-Dietrich, "German Court Reverses Decision on Taxation of Interest Income of German Branch of U.S. Bank", Tax Notes International, November 29, 1993
32. McCray, Sandra B., "State Taxation of Interstate Banking," Georgia Law Review, Fall 1986, pp. 283-327
33. McCray, Sandra B., "Interstate Banking and State Taxes," Proceedings of the Seventy-Ninth Annual Conference of the National Tax Association--Tax Institute of America, November, 1986, pp. 56-61
34. McCray, Sandra B., "Constitutional Issues in State Income Taxes: Financial Institutions," Albany Law Review, Spring/Summer 1987, pp. 895-933
35. McCray, Sandra B., "Interstate Banking: Current Status and Unfinished Agendas", The Journal of Federalism 17 (Summer 1987), p.179-194
36. McCray, Sandra B., "The Modernization of State Bank Taxes," The Fiscal Letter (National Conference of State Legislatures), September/October 1988, pp. 1-2
37. McCray, Sandra B., "The Massachusetts Bank Tax: Present Realities and Options for the Future"
38. McCray, Sandra B., "State Taxation of New Banking Procedures", Tax Notes, June 1990, p. 1129

39. Madhusudhan, Ranjana G., "Fiscal Federalism Limits the Bank Tax Uniformity debate", State Tax Notes, August 30, 1993, p. 4360
40. Massachusetts Special Legislative Commission on Tax Reform, Thirtieth Interim Report Relative to the Taxation of Banks, April 9, 1987
41. Neubig, Thomas S., "The Economic Impacts of New State Taxation of Financial Service Income", Bank Administration Institute - Multistate Taxation Banking Symposium (November 19, 1990)
42. New York State Bar Association, Tax Section, Committee on State and Local Taxes, "Revised Preliminary Report on State Taxation of Financial Institutions" (March 31, 1992)
43. New York State Department of Taxation and Finance, "Franchise Tax on Banking Corporations: Statistical Analysis of 1985 Reform Act" (September 1991)
44. Papke, James A., "The Taxation of Indiana Savings and Loan Institutions: The Case for Competitive Equality", outline dated June 21, 1988
45. Ressino, Anthony G. and Hannah, Mark R., "Should Indiana Change How It Taxes Financial Institutions?", Hoosier Banker, November 1988
46. Ruempler, Henry and Ames, Joanne, "Multiple State Taxation: Will Your Bank be Hit by Out-of-State Levies?", Vol. 9, No. 18, Banking Expansion Reporter, p. 1 (September 17, 1990)
47. Sicora, Jerome J., "State Taxation and Regulation of Banking - Minnesota Approach", undated outline
48. Strauss, Robert P., "An Evaluation of Alternative Approaches to State Taxation of Financial Institutions"

49. Symbols, Jr., Edward L. and Strauss, Robert P., Washington. State Taxation of Financial Institutions and the Federal Limits: A Study of the Legal and Fiscal Issues, (Report prepared for the Washington Tax Reform Commission, November 23, 1987)
51. Tannenwald, Robert, "Should Massachusetts Reform Its Bank Tax?," New England Economic Review (Federal Reserve Bank of Boston), September/October 1988, pp. 23-35
52. Tracy, William L., (Indiana Department of Revenue), "The Indiana Financial Institutions Tax", (April 1991)
53. Vosburg, Thomas, "State Taxation of Banks and Financial Institutions: Results of Recent Surveys" (Multistate Tax Commission, June 1986)

EXHIBIT L:

STATUTES AND REGULATIONS

1. California Bank and Corporation Franchise Tax, Chapter 2, Article 3
2. Title 18, California Bank and Corporation Tax §25137- 4
3. Article 3, §23183, California Code of Regulations (Financial corporation defined)
4. Illinois General Assembly Resolutions (November 30, 1990)
5. Notice of Proposed Rule for Definition of Financial Organization (Draft), Department of Illinois
6. Materials regarding Indiana HB 1625
7. Iowa Administrative Code §§701-59.25-59.29
8. New York Franchise Tax on Banking Corporations, Article 32
9. Oregon Administrative Regulation 150-314.280
10. Materials regarding Tennessee Senate Bill 2515

EXHIBIT H: MISCELLANEOUS

1. News Articles
2. Tape recordings - Public Hearing Sessions
3. Tape recordings - MTC/FTA Financial Institutions Workshop
4. Memorandum from Alan H. Friedman (MTC) (June 4, 1991) (without attachments)
5. Opinion and selective pleadings: *Siegelman v. Chase Manhattan Bank, et al.*, 575 So.2d 1041 (Ala. 1991)
6. Opinion: *Prulcase, Inc. v. Michigan Department of Treasury*, Dkt. No. 91414 (Michigan Tax Tribunal 7/8/92)
7. Opinion: *H.J. Heinz Company, Inc. v. Michigan Department of Treasury*, 494 N.W.2d 850 (Ct. App. 1992)
8. Opinion: *Crocker Equipment Leasing, Inc. v. Oregon Department of Revenue*, 838 P.2d 552 (Or. 1992)
9. Plant, Philip M., Testimony before Oregon Department of Revenue, November 17, 1993
10. Solicitation from Swiss Bank Corporation