



State Intercompany Transactions Advisory Service (SITAS) Committee
MINUTES (DRAFT)
 Tuesday, March 23, 2021
 (Held via webinar.)

I. Welcome and Introductions
Chair, Krystal Bolton (LA)

The committee convened at 2:00 P.M. Eastern and Krystal attendees to introduce themselves. Attendance was also noted from on-line sign-in information. The following people were in attendance:

A Thomas		Douglas Wick	Jones Day
Alex Meleshenko	Indiana	Ferdinand Hogroian	PWC
Angela Doyle	Jones Day	Frances Sewell	Pfizer
Anvar Zhumagazin	Georgia	Garrett, Joe	Deloitte
April B. Day	North Carolina	Greg Matson	MTC
Arthur Parham Jr.		Amy Hamilton	State Tax Notes
Ben Clough	Iowa	Heather Johnson	Indiana
Bologna, Michael	Bloomberg	Holly Coon	MTC
Bopitiya, Prasanna		Howard Maxwell	Florida
Brandy Offord	AL	Jacquelyn Moore	Georgia
Brian Hamer	MTC	Jason N	
Brian Trauman	KPMG	Joe Huddleston	EY
Bruce Fort	MTC	John Kasper	Indiana
Chris Barber	MTC	John Lamszus	Crowe
Sherfon Coles-Williams		Jonathan Feldman	Eversheds Sutherland
Colin Dolan	Reed Smith	Joshua Lin	
Colleen Chipman	New Jersey	Justin Brown	Eversheds Sutherland
David Fruchtman		Karen Boucher	FIST Coalition
Debbie Scott	Indiana	Karl Frieden	COST
Diann Smith	McDermott Will & Emery	Kate Pascuzzi	
Doug Lindholm	COST	Keith Holland	Missouri
Kelsey Muraoka		Richard Byrd	Missouri



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Krystal Bolton	Louisiana	Sarah Watts	Kentucky
Lila Disque	MTC	Scott Clark	Dentons
Marcia Oakman	Kentucky	Scott Pattison	MTC
Maria Koklanaris	Law 360	Mandi Shawarira	Indiana
Mark Loyd	Dentons	Sherry Tiggett	MTC
Matt Tidwell	Alabama	Shirley Sicilian	KPMG
Matthew Frank		Spencer, Michael	
Matthew Peyerl	North Dakota	Stephanie Do	COST
Melinda Gunther		Steven Wrappe	Grant Thornton
Melody Moncrief	Alabama	Tanya Webb	Chevron
Michael Ganier	Louisiana	Todd Lard	Eversheds Sutherland
Michael Wynne	Jones Day	Wanda Dorsey-Jenkins	MTC
Morgan Scarboro		Yesnowitz, Jamie	Grant Thornton
Murray, Mike	Missouri	Yuklin Harding	Georgia
Nancy Prosser	MTC	Zachary Atkins	Pillsbury
Noman Shaikh	Georgia		

II. Initial Public Comment

There were no public comments.

**III. History of the State Intercompany Transactions Advisory Service (SITAS) Committee
Holly Coon (MTC)**

Holly gave a summary of the history the Committee beginning with the advisory group’s mission to create a project design for a new MTC program that would have provided transfer pricing support to member states, known as the Arm’s Length Adjustment Service (ALAS). She indicated that in recent years, the committee has been focused on state collaboration and training regarding the issue of inter-company transactions and their effect on the corporate income tax base.

**IV. Results from SITAS Interest Survey
Krystal Bolton (LA)**

Krystal reviewed the results of the interest survey. The survey was sent out to state representatives included on the SITAS Committee contact list and a link was provided in the March MTC Newsletter. Twenty-four state representatives responded to the survey. Summary of results presented:



Q1. Are you interested in attending an upcoming meeting of the MTC's State Intercompany Transaction Advisory Service (SITAS) Committee?

- Extremely interested - 41.67% (10)
- Very interested - 41.67% (10)
- Somewhat interested - 16.67% (4)
- Not so interested - 0.00% (0)
- Not at all interested - 0.00% (0)

Q2. What are you/your state hoping to gain from participating in the SITAS Committee?

- I am not interested in participating in the SITAS Committee - 4.17% (1)
- Information exchange and collaboration for audit - 70.83% (17)
- Training opportunities - 79.17% (19)
- Enhanced communication and coordination of states - 54.17% (13)
- Other - 0.00% (0)

Q3. How important do you think it is for states to work together to address improper income shifting by multinational/multistate corporations?

- Extremely important - 70.83% (17)-
- Very important - 25.00% (6)-
- Somewhat important - 4.17% (1)-
- Not so important - 0.00% (0)
- Not at all important - 0.00% (0)

Q4. How effectively do you think states are working together to address this topic currently?

- Extremely effective - 4.17% (1)
- Very effective - 16.67% (4)
- Somewhat effective - 54.17% (13)
- Not so effective - 20.83% (5)
- Who's working together? - 4.17% (1)

Q5. How valuable would it be to exchange information with members of other states? (Confidentially, of course.)

- Extremely valuable - 70.83% (17)-
- Very valuable - 20.83% (5)
- Somewhat valuable - 8.33% (2)
- Not so valuable - 0.00% (0)
- Not at all valuable - 0.00% (0)

When reviewing the results of Q5, Krystal referenced the SITAS Information Exchange Agreement and suggested that states wishing to participate in an informational session should review and send a signed agreement to Holly at hcoon@mtc.gov.



Q6. If the committee organized a training seminar, would your state participate in the training?

Very likely - 37.50% (9)-

Likely - 29.17% (7)-

Only if the training is provided virtually. Assume employees can travel safely post

Pandemic - 20.83% (5)

Other, please specify - 12.50% (3)

Responses: 1. Unsure, 2. In-person budget permitting, 3. Interested in attending training, but not presenting.

Q7. What types of training opportunities and resources would your state be interested in receiving related to this topic?

Identify inter-company transactions prone to improper income shifting - 91.67% (22)

Transfer Pricing - 83.33% (20)

Other methods of addressing improper income shifting other than transfer pricing.

Example: economic substance argument, equitable apportionment - 83.33% (20)

Information about vendors providing transfer pricing support - 50.00% (12)

Other - 8.33% (2)

Responses: 1. Transactions and transfer pricing between offshore entities and
2. Finding comparables.

Q8. What statement best describes your state's position on Advancing Pricing Agreements (APAs)?

We currently have an APA process in our state - 18.18% (4)

We do not currently have an APA process in our state, but would like to provide a process. - 45.45% (10)

We do not believe we have statutory authority to allow an APA. - 22.73% (5)

What is an Advanced Pricing Agreement and why would we need a process? -
13.64% (3)

Joe Huddleston, EY, expressed that developing an APA process was not easy, but very beneficial for states and taxpayers alike. Jonathan Feldman, Eversheds Sutherland, suggested that the committee draft model legislation to explicitly grant revenue departments the authority to enter into APA agreements.

V. Next Steps and Adjournment

The committee members expressed interest in learning about APA processes developed in other states and the possibility of an informational session.

The meeting was adjourned at 2:40pmET with a motion from Matt Tidwell, AL.
