



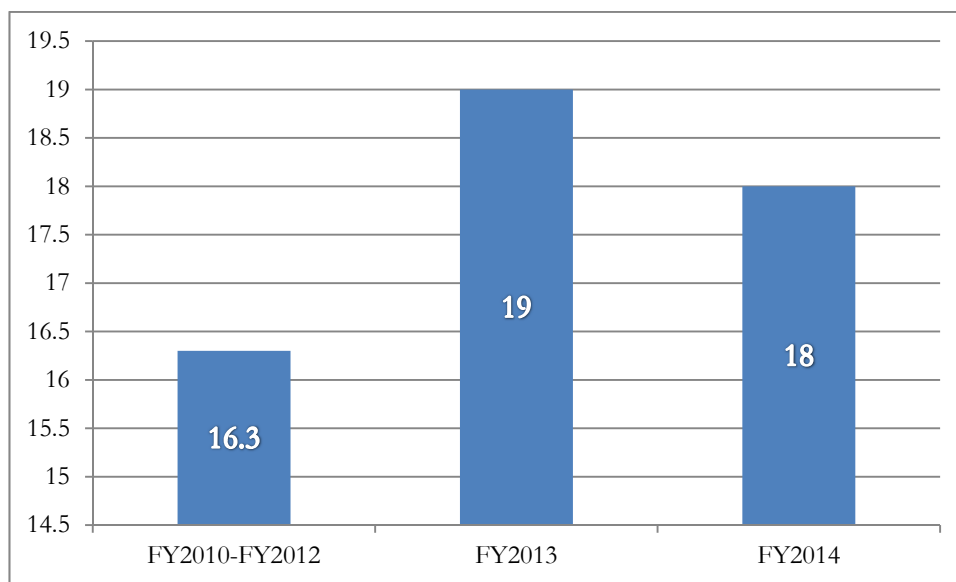
MULTISTATE TAX COMMISSION

To: Strategic Planning Steering Committee
From: Gregory S. Matson
Date: May 9, 2014
Subject: Performance Measures & Data for Engagement Goal Project Report

OUTCOME MEASURES TO BASELINES¹

Outcome 1.² More Compact and Sovereignty State Participation in Commission Activities.³

1A. Average In-person Attendance by Compact & Sovereignty States at Annual Meetings

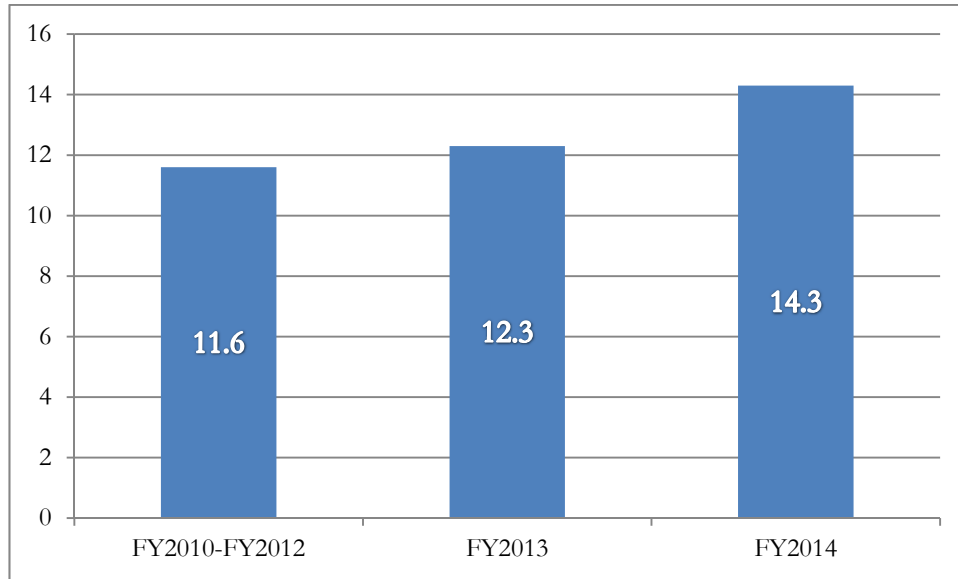


¹ The Measures and Baselines for MTC Engagement Goal that were approved at the beginning of FY2013 (July 24, 2012) specify a baseline range of 2009-2012; because the Commission operates on a fiscal year basis and relevant data are routinely prepared on that basis, for purposes of reporting I interpreted this to mean FY2010-FY2012 (July 1, 2009 to June 30, 2012).

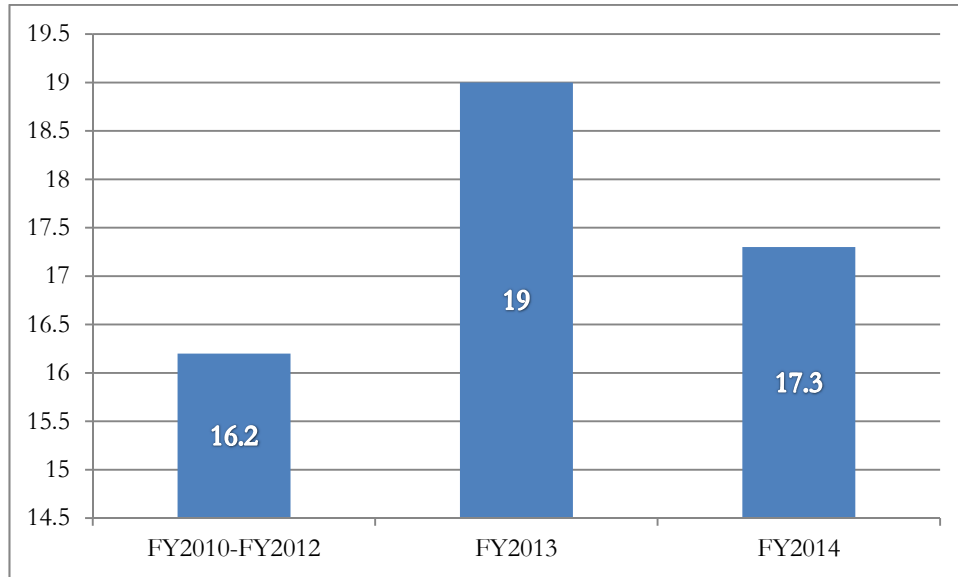
² I followed the following in determining Outcome 1 numbers: Attendance lists in published minutes served as the primary source record, and where minutes were not available, registration lists from online registration processes were used.

³ Note that California and South Dakota repealed the Multistate Tax Compact in FY2013 and became associate members; Minnesota repealed the Compact as of FY2014, but became a sovereignty member.

1B. Average In-person Attendance by Compact & Sovereignty States at Executive Committee Meetings



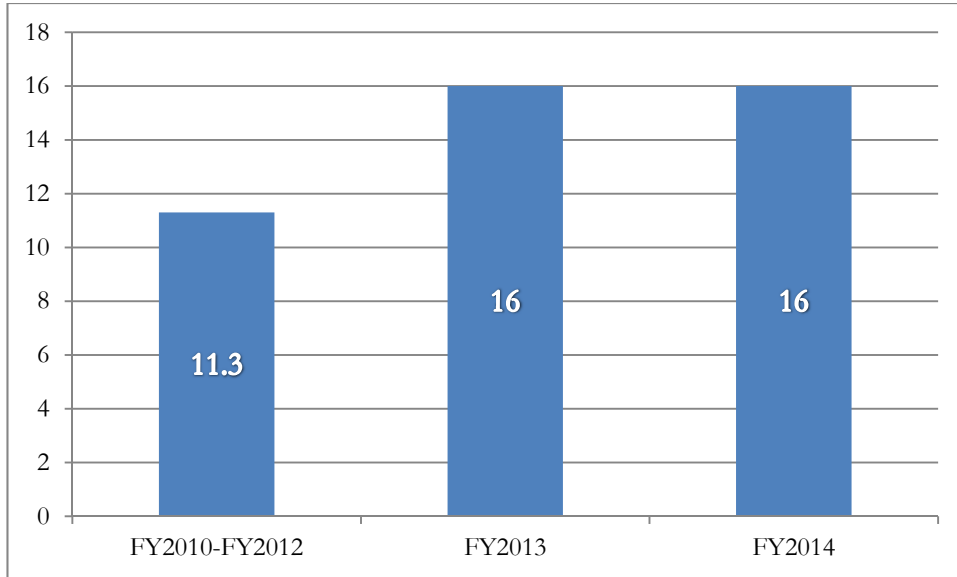
1C-1⁴ Average Participation by All States in Uniformity Committee Meetings⁵



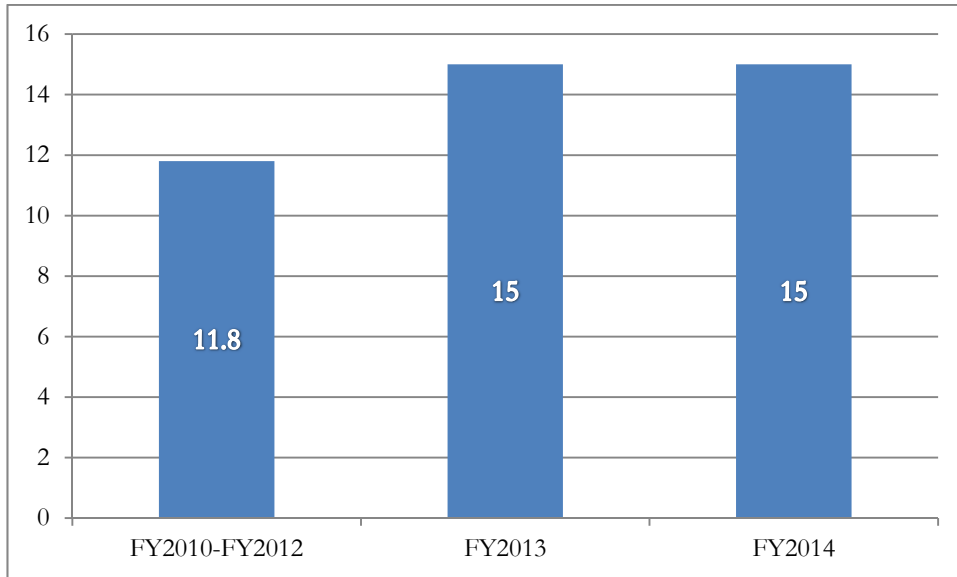
⁴ Throughout this report, I separate conjunctive baselines and measures, e.g., "...in Uniformity and Litigation committee meetings ..." using "-1" and "-2" to distinguish them.

⁵ The Uniformity Committee does not distinguish between in-person and telephonic attendance in its minutes; because of this, I changed the measure from "in-person attendance" to "participation." And not all minutes were available, so where unavailable, registration lists were used.

1C-2 Average In-person Attendance by All States
in Litigation Committee Meetings⁶

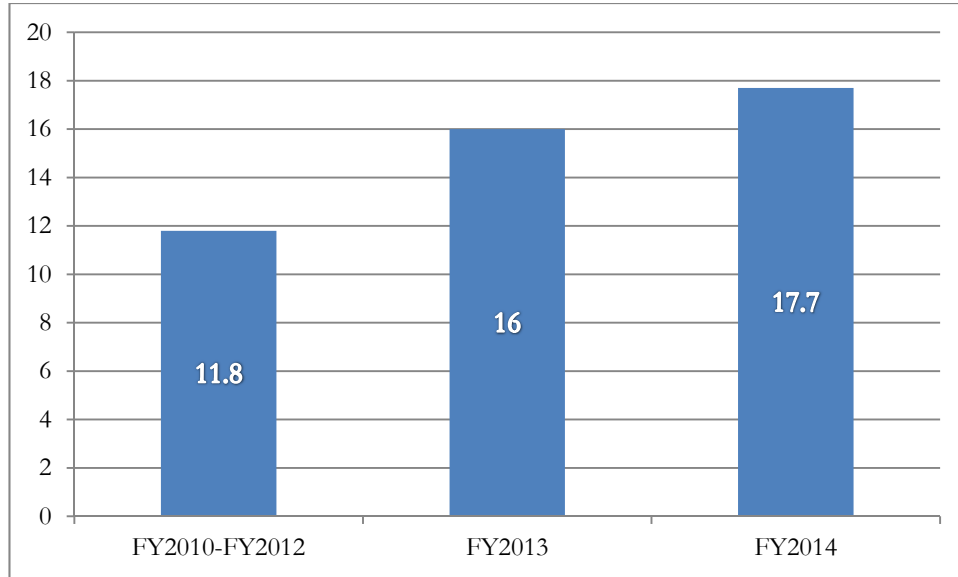


1D-1 Average In-Person Attendance by Program States
in Audit Committee Meetings



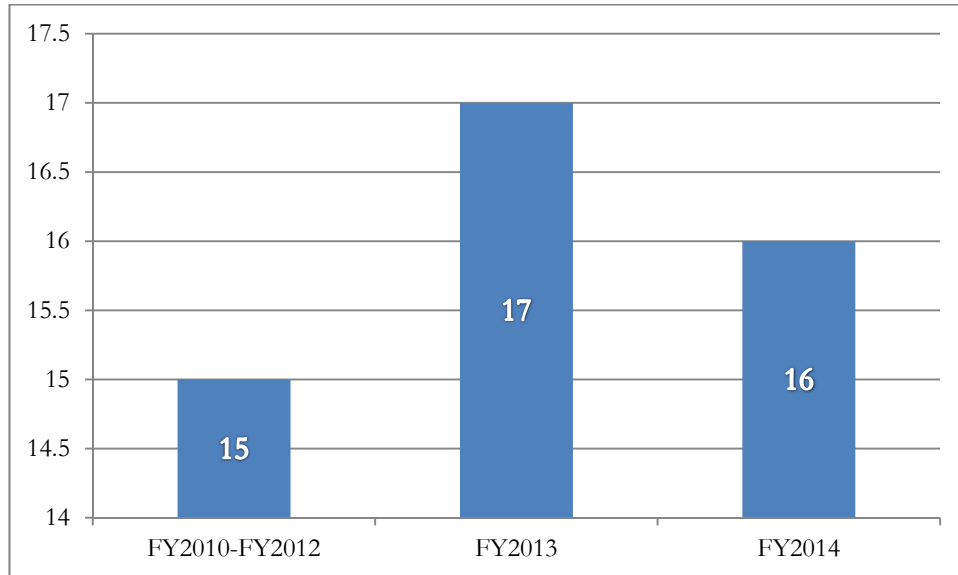
⁶ The Litigation Committee does not keep minutes, therefore only registration lists were used.

1D-2 Average In-Person Attendance by Program States
in Nexus Committee Meetings



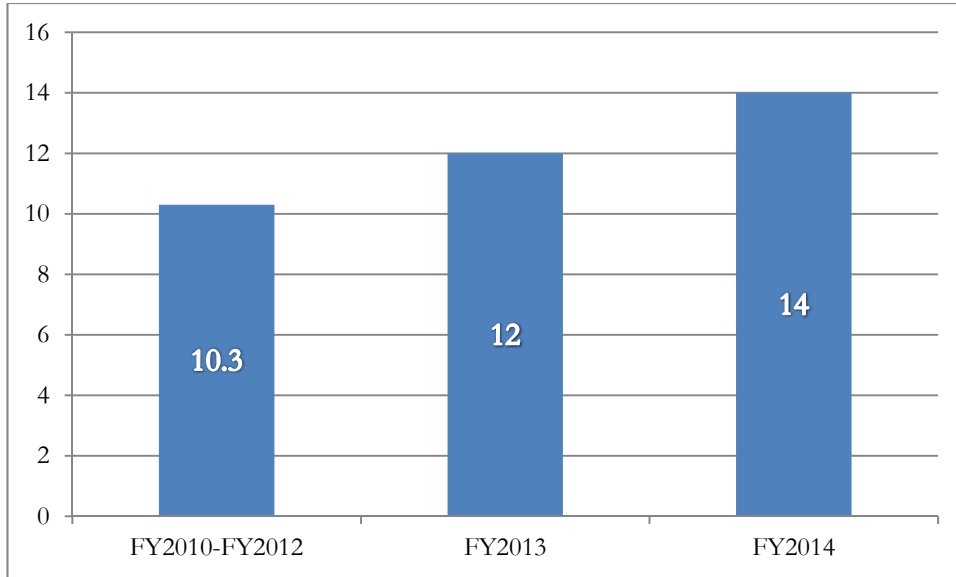
Outcome 2. More Top Tax Administrators (or Regularly Designated Alternates) Participating in Commission Activities.⁷

2A. Average Personal Attendance by Top Tax Administrators or Regular Alternates of Compact & Sovereignty States at Annual Meetings



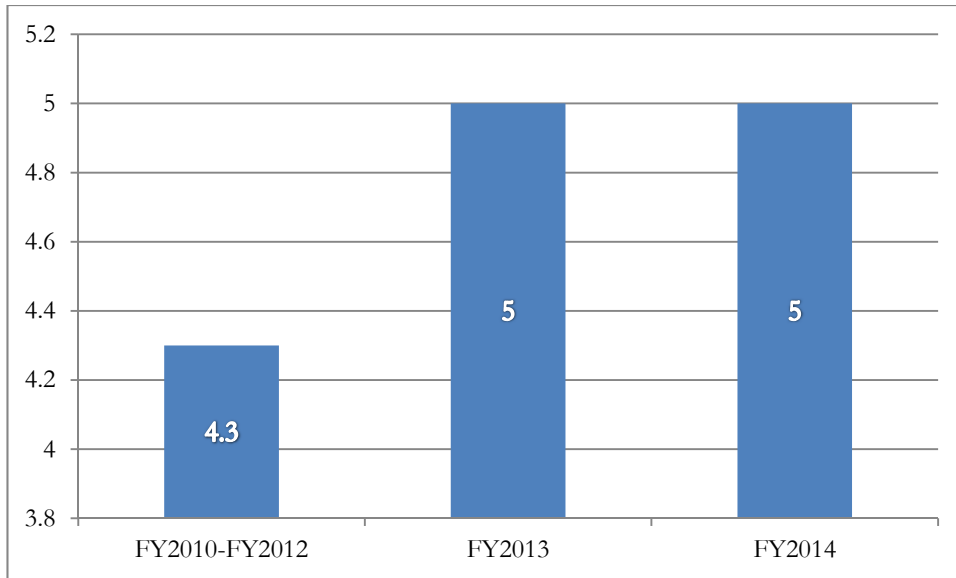
⁷ Note that California and South Dakota repealed the Multistate Tax Compact in FY2013 and became associate members; Minnesota repealed the Compact as of FY2014, but became a sovereignty member.

2B. Average Personal Attendance by Top Tax Administrators or Regular Alternates of Compact & Sovereignty States at Executive Committee Meetings



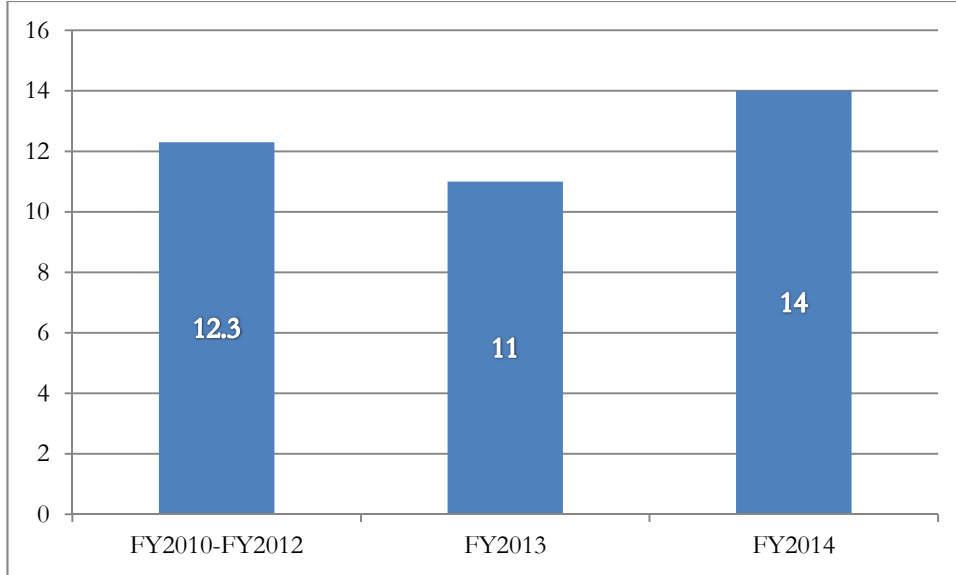
Outcome 3. More Associate Member States Participating in MTC Programs.⁸

3A. Average Number of Associate States Participating in Audit Program



⁸ Note that two states changed membership status in ways that affect these numbers: South Dakota became an associate member for FY2014, and South Carolina was an associate member in FY2010 and FY2011, was a sovereignty member for FY2012 and FY2013, then returned to being an associate member in FY2014.

3B. Average Number of Associate States Participating in Nexus Program



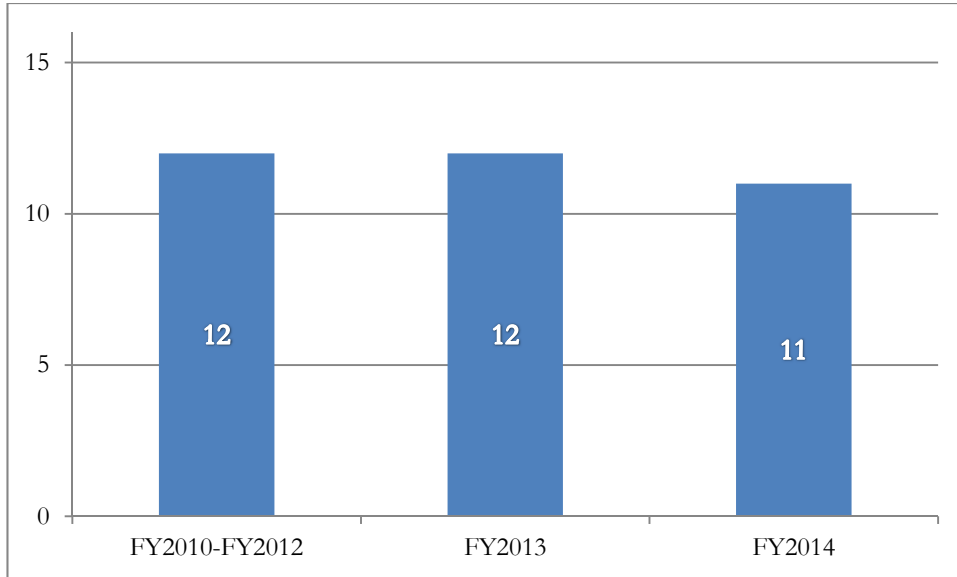
Outcome 4. Increase Awareness among the States of the MTC and the Value of its Programs.

4A. Number of days after effective date of office for contact with new tax administrators by Executive Committee liaison or executive director: Michigan (35), Alaska (29), and North Dakota (29) [Note: not tracked before FY2014].

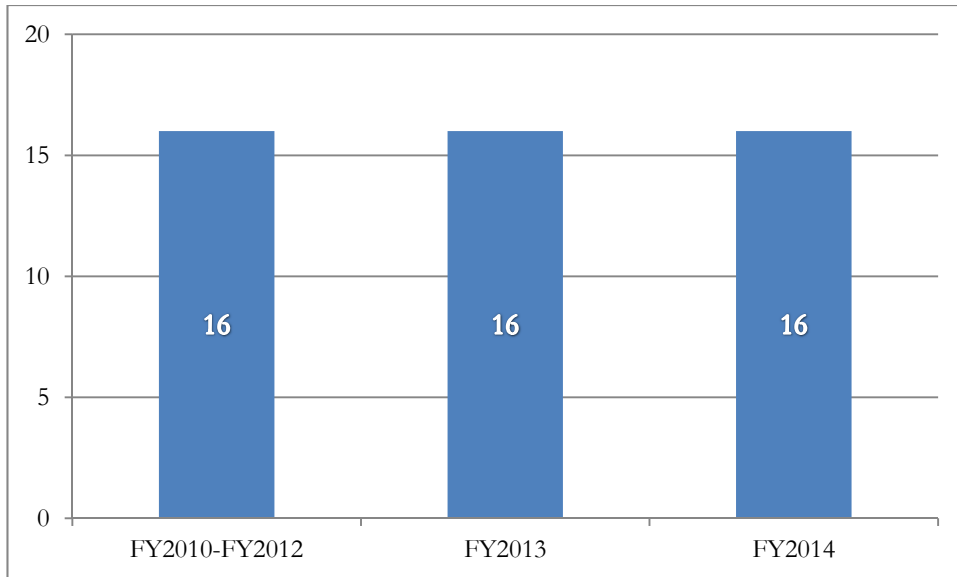
4B. Timely follow up and sharing of state-specific information with newly designated or inactive top tax administrators: State-specific information is now provided in initial contact by executive director.

Outcome 5. Increase Participation by Audit Program States in Multistate Audits.

5A-1 Average Number of Audit Program States Participating in Sales & Use Tax Audits



5A-2 Average Number of Audit Program States Participating in Income Tax Audits



5B-1 Average Annual Number of Sales & Use Tax Audits
Participated in by Each Program State⁹

STATE	FY2010-FY2012	FY2013	FY2014
Alabama	21.7	23	14
Arkansas	32.7	40	30
Colorado	24.0	24	14
D.C.	29.7	27	20
Georgia	19.3	24	16
Hawaii	15.3	18	14
Idaho	32.3	36	25
Illinois	8.0	13	7
Kansas	30.7	38	27
Kentucky	30.3	35	25
Louisiana	28.3	35	27
Massachusetts*	0.0	1	2
Michigan	10.7	15	12
Minnesota*	12.0	13	5
New Jersey	16.7	17	13
North Dakota	34.0	40	28
South Carolina*	5.3	11	8
Tennessee	10.7	15	6
Utah	27.3	34	26
Wisconsin	25.0	29	23
Total Audits	35.0	42	31

* Massachusetts joined the program in FY2013; Minnesota left the program in FY2009, rejoined in FY2013, but then left again in FY2014; South Carolina joined the program in FY2011, but left in FY2014.

⁹ I changed the baseline and measure for this report from “joined by” to “participated in” because that is the information that is tracked by the Joint Audit Program.

5B-2 Average Annual Number of Income Tax Audits
Participated in by Each Program State¹⁰

STATE	FY2010-FY2012	FY2013	FY2014
Alaska	23.0	24	21
Alabama	15.3	16	12
Arkansas	25.0	25	22
Colorado	14.0	15	16
D.C.	23.3	18	14
Hawaii	6.7	7	6
Idaho	17.3	18	16
Illinois	3.0	2	0
Kansas	18.0	19	18
Kentucky	23.7	23	20
Massachusetts*	0.0	1	1
Michigan	10.3	4	3
Minnesota*	4.3	4	4
Missouri	9.7	14	15
Montana	20.0	21	18
Nebraska	25.0	23	20
New Jersey	7.3	5	6
New Mexico	24.7	24	21
North Dakota	21.3	23	20
Oregon	23.0	22	19
South Carolina*	2.0	7	1
Tennessee	7.7	14	13
Utah	24.3	25	22
West Virginia	24.3	24	21
Wisconsin	20.3	21	18
Total Audits	25.0	25	22

* Massachusetts joined the program in FY2013; Minnesota left the program in FY2009, rejoined in FY2013, but then left again in FY2014; South Carolina joined the program in FY2011, but left in FY2014.

¹⁰ I changed the baseline and measure for this report from “joined by” to “participated in” because that is the information that is tracked by the Joint Audit Program.

Attachment

Measures and Baselines for MTC Engagement Goal – 7/24/12

Outcome 1. More compact and sovereignty state participation in commission activities.

Measures

- 1a. Increase in number of compact and sovereignty states that personally attend Annual Meetings.
- 1b. Increase in number of compact and sovereignty states that personally attend Executive Committee meetings.
- 1c. Increase in number of states that participate in Uniformity and Litigation committee meetings.
- 1d. Increase in number of program states participating in Audit and Nexus committee meetings.

Baselines

- 1a. Average in-person attendance by compact and sovereignty member states at Annual Meetings - 2009-2012.
- 1b. Average in-person attendance by compact and sovereignty member states at Executive Committee meetings – 2009-2012.
- 1c. Average in-person attendance by all states in Uniformity and Litigation committee meetings – 2009-2012.
- 1d. Average in-person attendance by program states in Audit and Nexus committee meetings – 2009-2012.

Targets

1. Increase over baseline of (raw number or a percent) by (date).

Outcome 2. More top tax administrators (or regularly designated alternates) participating in commission activities.

Measures

- 2a. Increase in number of compact and sovereignty state top tax administrators (or regularly designated alternates) who personally attend Annual Meetings.
- 2b. Increase in number of compact and sovereignty state top tax administrators (or regularly designated alternates) who personally attend Executive Committee Meetings.

Baselines

- 2a. Average personal attendance by top tax administrators (or regularly designated alternates) of compact and sovereignty member states at Annual Meetings - 2009-2012.
- 2b. Average personal attendance by top tax administrators (or regularly designated alternates) of compact and sovereignty member states at Executive Committee Meetings - 2009-2012.

Targets

2. Increase over baselines of (raw number or a percent) by (date).

Outcome 3. More Associate Member states participating in MTC programs.

Measures

- 3a. Increase in number of Associate Member states participating in Audit Program.
- 3b. Increase in number of Associate Member states participating in Nexus Program.

Baselines

- 3a. Average number of Associate Member states participating in Audit Program – 2009-2012.
- 3b. Average number of Associate Member states participating in Nexus Program – 2009-2012.

Targets

- 3. Increase over baselines of (raw number or a percent) by (date).

Outcome 4. Increase awareness among the states of the MTC and the value of its programs.

Measures

- 4a. Timely contact by assigned Executive Committee liaison/MTC Executive Director with newly designated or inactive top tax administrators in compact, sovereignty and associate member states.
- 4b. Timely follow up and sharing of state-specific information with newly designated or inactive top tax administrators.

Baseline

No historic baseline data available. Tracking data to begin August 1, 2012.

Targets

- 4a. Time target (number of days after designation) for contact with new tax administrators by Executive Committee liaison or MTC Executive Director.
- 4b. Time target (number of days after designation) for sharing of state-specific data about past participation in MTC by the new tax administrator's state.

Outcome 5. Increase participation by Audit program states in multistate audits.

Measures

- 5. Level of participation by states in audits conducted by MTC each year.

Baselines

- 5a. Average number of audit program states participating in sales tax audits and income tax audits – 2009-2012.
- 5b. Average annual number of sales tax and income tax audits joined by each program state – 2009-2012.

Targets

- 5. Increase over baselines of (raw number or a percent) by (date).