

To: Michael Mazerov, Multistate Tax Commission  
From: Frank Shaffer, New Mexico Taxation & Revenue Dept.  
Re: Comments on Definition of Unitary Business  
Date: May 30, 1997

Section II.D states that "a separate entity may have more than one unitary business." I do not think this is feasible under a single corporate umbrella. Some form of centralized management will exist (chief executive officer or board of directors). The business segments within a single entity will be functionally integrated since the single entity is liable for all debts and the single entity owns all the assets. This also shows a dependency of one segment on the other causing the segments to be unitary.