



MULTISTATE TAX COMMISSION

To: Multistate Tax Commission  
From: Joe Huddleston, Executive Director  
Date: July 21, 2015  
Subject: 2015 Executive Committee Annual Report

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The Executive Committee met three times during the period July 1, 2014, to June 30, 2015:

- July 31<sup>st</sup> in Albuquerque, New Mexico
- December 12<sup>th</sup> in Nashville, Tennessee
- May 7<sup>th</sup> in Washington, D.C.

The Executive Committee also met via teleconference on July 2, 2015, the action from which will be included in this report.

The meetings were regular meetings through which the committee provided oversight and direction to the activities of the Commission.

The following members of the Commission were elected to serve as Commission officers and members of the Executive Committee for fiscal year 2015:

- Chair: Julie Magee, Commissioner, Alabama Department of Revenue
- Vice Chair: Demesia Padilla, Secretary of Taxation and Revenue, New Mexico
- Treasurer: Rich Jackson, Commissioner, Idaho Tax Commission
- At-Large: Susan Combs, Texas Comptroller of Public Accounts; R. Kevin Clinton, State Treasurer, Michigan; Mike Kadas, Director, Montana Department of Revenue; and Carol K. Nelson, Director, Washington Department of Revenue

In September, Michigan repealed their Multistate Tax Compact, creating a vacancy in one of the four at-large positions on the Executive Committee. Stephen M. Cordi, Deputy Chief Financial Officer, D.C. Office of Tax and Revenue, was appointed by the Chair to fill the open position and elected by the committee.

At the end of 2014, Susan Combs's term of office as the Texas Comptroller of Public Accounts expired, creating a vacancy in one of the four at-large positions on the Executive Committee. Glenn Hegar, the newly elected Texas Comptroller of Public

Accounts, was appointed by the Chair to fill the open position and elected by the committee.

In January, Carol K. Nelson left her position to return to the private sector, creating a vacancy in one of the four at-large positions on the Executive Committee. John L. Valentine, Chair of the Utah State Tax Commission, was appointed by the Chair to fill the open position and elected by the committee.

The Executive Committee took the following actions during fiscal year 2015:

- Reviewed the efforts and completed work of the Strategic Planning Steering Committee for fiscal year 2014.
- Considered the Uniformity Committee's recommendations with respect to the hearing officer's report regarding proposed Recommended Amendments to Compact Article IV, Section 18(c) and (d), and recommended consideration by the Commission, triggering the bylaw 7 survey process for these provisions (along with section 18(e), which had been approved previously but held pending work on (c) and (d)).
- Took no action on the retained Model Sales & Use Tax Notice and Reporting proposal pending the final resolution of litigation in Colorado.
- Elected Stephen M. Cordi, Deputy Chief Financial Officer, D.C. Office of Tax and Revenue, to serve out an unexpired term as an at-large member of the Executive Committee.
- Approved the audited financial statements as reported in an independent auditor report for fiscal year July 1, 2012 – June 30, 2013.
- Reviewed of draft design for an Arm's-Length Adjustment Service
- Considered the hearing officer's report regarding proposed draft amendments to Formula for the Apportionment and Allocation of Net Income of Financial Institutions and recommended consideration by the Commission, triggering the bylaw 7 survey process for this proposal.
- Considered a resolution on the model ABA Transaction Tax Overpayment Act as recommended by the Uniformity Committee, and referred it to the Resolutions Committee process for consideration by the Commission at its annual meeting.
- Elected John L. Valentine, Chair of the Utah State Tax Commission, to serve out an unexpired term as an at-large member of the Executive Committee.
- Elected Glenn Hegar, Texas Comptroller of Public Accounts, to serve out an unexpired term as an at-large member of the Executive Committee.

- Approved a proposed 2015-2016 budget for the Commission.
- Approved the final design for an Arm's-Length Adjustment Service, to be implemented when enough states committed to the program; commended and discharged the advisory group tasked with completing the program design.
- Approved a recommended amendment to Bylaw 7(g) for adoption by the Commission and directed that requisite notice be provided so that it would be considered at the Commission's annual business meeting scheduled for July 29, 2015.
- On a July 2, 2015, teleconference, approved the Chair's appointment of Gregory S. Matson to be the next executive director of the Multistate Tax Commission following the resignation of Joe Huddleston effective August 1, 2015.

The Executive Committee undertook additional actions during fiscal year 2015 that are recorded in the minutes of its meetings.