



Annual Business Meeting of the Multistate Tax Commission
 July 27, 2016
 Kansas City, Missouri 64105

I. Roll Call of the States

Demesia Padilla, Chair, opened the meeting at 2:05 PM. A roll call of compact states was taken. Alabama, Arkansas, Colorado, District of Columbia, Hawaii, Idaho, Kansas, Missouri, Montana, New Mexico, North Dakota, Oregon, Texas, Utah, and Washington were present. Alaska was absent.

The following individuals attended the meeting in person:

Name	State/Affiliation	Name	State/Affiliation
Christy Vandevender	Alabama	Kathleen Sheer	New Hampshire
David Avery		Demesia Padilla	New Mexico
Holly Coon		Frank Crociata	
Julie Magee		Lennie Collins	North Carolina
Rouen Reynolds		Ryan Rauschenberger	North Dakota
Walter Anger	Matt Peyerl		
Tom Atchley	Arkansas	Tyler Wallace	Oregon
Phil Horwitz	Colorado	Gary Humphrey	
Stephen Cordi	District of Columbia	Don Jones	
Geemon Kurian		Eric Smith	
Chester Cook	Georgia	Anita Conner	Pennsylvania
Rich Jackson	Idaho	Nancy Prosser	Texas
Randy Tilley		Frank Hales	Utah
Ted Shiraishi	Hawaii	John Valentine	
Mark Beshears	Kansas	Mike Christensen	
Jennifer Hays	Kentucky	Karolyn Bishop	Washington
Luke Morris	Louisiana	Drew Shirk	
Wood Miller	Missouri	David Hesford	
Nia Ray		Jayne Kulberg	Wisconsin
John Mollenkamp		Michelle Biermeier	
Mike Kadas	Montana		

Public Attendees		MTC Staff and Consultants	
Jennifer McLoughlin	Bloomberg BNA	Nick Polimeros	Keith Getschel
Jamie Fenwick	Charter	Bruce Fort	Lila Disque
Virgil Helton	Fast Enterprises	Cathy Felix	Marshall Stranburg
Gale Garriott	Federation of Tax Administrators	Elliott Dubin	Richard Cram
Karen Boucher	FIST Coalition LLC	Gregory Matson	Thomas Shimkin
Todd Lard	Sutherland	Helen Hecht	William Six
		Jeff Silver	

The Chair determined there was a quorum and asked those present to introduce themselves.

II. Public Comment

There were no public comments during this portion of the meeting.

III. Approval of Minutes of the Annual Business Meeting held July 29, 2015

Nancy Prosser moved for approval of the minutes, which motion passed by unanimous voice vote.

IV. Report of the Treasurer

Ryan Rauschenberger, Treasurer, provided his Report, presenting the FY 2017 budget. Mr. Rauschenberger noted that the FY 2017 budget is identical to that presented to and approved by the Executive Committee at its May meeting. Membership assessments and Audit Program fees are increasing by 2%, while Nexus Program fees are not increasing. Mike Kadas moved for approval of the Treasurer's Report and ratification of the FY 2017 budget. The motion passed by unanimous voice vote.

V. Report of the Executive Director

Greg Matson, Executive Director, presented his Report, pointing out that New Hampshire joined the Audit Program as of December 1, 2015, and Delaware joined the Nexus Program as of July 1, 2016. Mr. Matson also highlighted some of the personnel transitions occurring within MTC staff during this past fiscal year: departure of Joe Huddleston as Executive Director, Mr. Matson's assumption of that position, the hiring of Sherry Tiggett as Events Coordinator and the retirement of Ken Beier as Training Director, movement of Thomas Shimkin from Nexus Program Director to Legislative Counsel, the hiring of Richard Cram as Nexus Program Director, and the hiring of Marshall Stranburg as Deputy Executive Director.

VI. Report of the Executive Committee and Other Committees & Programs

A. Committee & Program Reports

Mr. Matson presented the Executive Committee Report. Mr. Stranburg presented the Arms-Length Adjustment Services (ALAS) Committee Report, advising that the Committee met in-person in April, has conducted two telephone conferences, and is planning another in-person meeting in October. Frank Hales presented the Audit Committee Report and noted that the issue of taxpayers refusing to sign statute-of-limitations waivers and questioning MTC auditors' authority to audit for states is still coming up. Lennie Collins presented the Nexus Committee Report, mentioning that Christy Vandevender is now the Vice Chair of the Committee, and collection results showed a very positive increase last year. Helen Hecht presented the Litigation Committee Report, indicating that the Committee met twice, in July 2015 at Spokane and in March 2016 in Salt Lake City.

Julie Magee presented the Strategic Planning Steering Committee Report, noting that work continues on the project to improve the Multistate Voluntary Disclosure Program, with improvements being made to the Nexus Program website, and the Taxpayer and Practitioner Outreach Project. She expressed gratitude to Elizabeth Harchenko for her longstanding service and guidance provided to the Committee. Ms. Padilla thanked Gary Humphrey for his service on the Committee and stated that his position will need to be filled.

Wood Miller presented the Uniformity Committee Report, emphasizing that the Committee held several teleconference meetings during June and July to respond to the Executive Committee's request concerning hearing officer recommendations for and public comments on the Section 17 regulations proposal. Mr. Miller thanked Chris Coffman, who will be retiring soon, for his service as Vice Chair.

B. Commission Action on Executive & Standing Committee Reports

Ms. Prosser moved to ratify all Executive Committee actions taken in FY 2016, and the motion was approved by unanimous voice vote.

VII. Unfinished Business

There was no unfinished business to consider at the meeting.

VIII. New Business

A. Proposed Model Statute for Sales and Use Tax Nexus (Engaging in Business)

Helen Hecht explained that the public hearing was held for the proposal, the Bylaw 7 Survey has been approved, and the matter is now before the Commission.

Ms. Magee moved for approval of the proposal. The motion passed, with the following states approving the proposal on a roll call vote: Alabama, Arkansas, District of Columbia, Hawaii, Idaho, Kansas, Missouri, Montana, New Mexico, North Dakota, Oregon, Texas, Utah, and Washington. Alaska and Colorado were absent. The states voting for the motion represented 91.43 percent of the population of those states eligible to vote.

B. Other Business

No other business was considered by the Commission.

IX. Report of the Resolutions Committee

Ms. Prosser, Chair of the Committee, presented the Report and moved for approval of the following honorary resolutions, which were approved by unanimous voice vote:

- Resolution No. 2016A - Appreciation of the Missouri Department of Revenue Host of the 2016 Annual Meeting
- Resolution No. 2016B - In Recognition of Frank Hales, Audit Committee Chair, and Lee Baerlocher, Audit Committee Vice-Chair
- Resolution No. 2016C - In Recognition of Clark Snelson, Litigation Committee Chair, and Mark Wainwright, Litigation Committee Vice Chair
- Resolution No. 2016D - In Recognition of Lennie Collins, Nexus Committee Chair
- Resolution No. 2016E - In Recognition of Wood Miller, Uniformity Committee Chair
- Resolution No. 2016F - In Recognition of Chris Coffman, Uniform Committee Vice Chair (Retiring)
- Resolution No. 2016G - In Appreciation of Elizabeth Harchenko, Strategic Planning Consultant to the Multistate Tax Commission
- Resolution 2016H – In Recognition of Joe W. Garrett, Jr., Arm’s-Length Adjustment Service Committee Chair
- Resolution No. 2016I - In Recognition of Jennifer Hays, Section 1 Model Regulation Workgroup Chair
- Resolution No. 2016J - In Recognition of Michael Fatale, Section 17 Model Regulation Workgroup Chair

- Resolution No. 2016K – In Appreciation of Stephen M. Cordi, D.C. Office of Tax and Revenue

X. Report of the Nominating Committee

Mr. Matson presented the recommended slate of nominees to fill officer and at-large positions on the Executive Committee for FY 2016-17:

<u>Chair</u>	Demesia Padilla, Secretary of Taxation and Revenue, New Mexico
<u>Vice Chair</u>	Rich Jackson, Commissioner, Idaho State Tax Commission
<u>Treasurer</u>	Ryan Raushchenberger, Tax Commissioner, North Dakota
<u>At-Large</u>	Glenn Hegar, Comptroller of Public Accounts, Texas Mike Kadas, Director, Montana Department of Revenue Nia Ray, Director of Revenue, Missouri John L. Valentine, Commission Chair, Utah State Tax Commission

There were no additional nominations from those attending the meeting.

XI. Election of Officers and Executive Committee

Ms. Magee moved approval for the slate of candidates. The motion passed by unanimous voice vote.

XII. Report of the Chair

Ms. Padilla thanked the states and private sector attendees for their participation.

XIII. Comments of the Chair-elect

There were no comments.

XIV. Adjournment

Nia Ray moved for adjournment, which motion passed unanimously by voice vote. The Chair adjourned the meeting at 3:00 pm.