



MINUTES OF MEETING HELD AUGUST 2, 2017

Annual Meeting of the Multistate Tax Commission

Galt House Hotel
140 North Fourth Street
Louisville, Kentucky

3:30 to 5:30 p.m. Eastern Time

I. Roll Call of the States

The chair, Richard Jackson, Idaho, called the meeting to order at 3:37 with a roll call. He confirmed the presence of a quorum and asked other participants to introduce themselves. The following is a list of members and participants (no participants introduced themselves by phone):

Joe Garrett	Alabama Department of Revenue
Christy Vandevender	Alabama Department of Revenue
Rouen Reynolds	Alabama Department of Revenue
Brendan Spanos	Alaska Department of Revenue
Tom Atchley	Arkansas Department of Finance and Administration
Scott Fryer	Arkansas Department of Finance and Administration
Deanna Munds-Smith	Arkansas Department of Finance and Administration
Joel DiPippa	Arkansas Department of Finance and Administration
Keith Richardson	District of Columbia Office of Tax and Revenue
Elissa Borges	District of Columbia Office of Tax and Revenue
Preston Alderman	District of Columbia Office of Tax and Revenue
Steven Alvarez	Georgia Department of Revenue

Phil Skinner	Idaho Office of the Attorney General
Richard Jackson	Idaho State Tax Commission
Ken Roberts	Idaho State Tax Commission
Steve Wynn	Idaho State Tax Commission
Daniel Bork	Kentucky Department of Revenue
Jennifer Hays	Kentucky Legislative Research Commission
Kevin Richard	Louisiana Department of Revenue
Lee Baerlocher	Montana Department of Revenue
Gene Walborn	Montana Department of Revenue
Richard Cram	Multistate Tax Commission
Lila Disque	Multistate Tax Commission
Elliott Dubin	Multistate Tax Commission
Keith Getschel	Multistate Tax Commission
Helen Hecht	Multistate Tax Commission
Greg Matson	Multistate Tax Commission
Marshall Stranburg	Multistate Tax Commission
William Six	Multistate Tax Commission
Harold Jennings	Multistate Tax Commission
Fred Coolbroth	New Hampshire Department of Revenue Administration
Kerrin Rounds	New Hampshire Department of Revenue Administration
John Ficara	New Jersey Division of Taxation
Daniel Armer	New Mexico Taxation and Revenue Department

Lennie Collins	North Carolina Department of Revenue
Matt Peyerl	North Dakota Office of State Tax Commissioner
Katie Lolley	Oregon Department of Revenue
Nia Ray	Oregon Department of Revenue
Nancy Prosser	Texas Comptroller of Public Accounts
Tommy Hoyt	Texas Comptroller of Public Accounts
Frank Hales	Utah State Tax Commission
John Valentine	Utah State Tax Commission
Mike Christiansen	Utah State Tax Commission
Gil Brewer	Washington State Department of Revenue
Karen Boucher	FIST Coalition
Amy Hamilton	Tax Analysts (State Tax Notes)
Daniel Schibley	Thomson Reuters

II. Initial Public Comment Period

There was no public comment.

III. Approval of Minutes of the Annual Business Meeting held July 27, 2016, and the Special Commission Meeting Held February 24, 2017

John Valentine, Utah, moved for approval of the minutes. The motion passed by voice vote.

IV. Report of the Treasurer

Approval of the 2017-2018 Budget

Gregory S. Matson, MTC Executive Director, presented the FY18 budget, as approved in May by the Executive Committee, for ratification by the Commission. He noted that the only change in the budget since May was that Louisiana had added the income tax audit portion of the Audit Program; since this represented a relatively small amount, the budget had not been adjusted. Membership assessments and Audit Program fees are increasing

by 2%, while Nexus Program fees are not increasing. Nancy Prosser, Texas, moved for approval of the budget. The motion passed by voice vote.

V. Report of the Executive Director

Mr. Matson presented his report, emphasizing the use of strategic planning to improve the Commission's programs. He noted the number of trainings provided by the audit and legal divisions and announced a plan to update the training program for a better fit to individual states' needs.

VI. Reports of the Executive and Other Committees

A. Committee Reports

Mr. Matson presented the Executive Committee report. Frank Hales, Utah, presented the Audit Committee report and noted that the issue of statutes of limitations continues to arise. Helen Hecht, MTC General Counsel, presented the Litigation Committee report, and responded to some confusion by emphasizing that it is similar to the Uniformity Committee in that any state that wants to can participate. She noted that the committee has done some outreach this year to make sure it has current and usable contact information. Lennie Collins, North Carolina, presented the Nexus Committee report, mentioning that it would be his last report and that Christy Vandevender, Alabama, will take his place as Chair of the committee. Mr. Jackson thanked Mr. Collins for his service. Joe Garrett, Alabama, reported on the status of the State Intercompany Transactions Advisory Service Committee; he has been meeting with the IRS to explore potential collaboration regarding transfer pricing. Ms. Prosser gave an update on the status of the Strategic Planning Steering Committee. Their goal this year focused on the vitality of the Commission. Regarding the Uniformity Committee, Ms. Hecht summarized the status of its projects. Amendments to Sections 1 and 17 were approved by the Commission at a special meeting earlier in the year, so there are no uniformity recommendations currently before the Commission. The Section 18 work group continues to work on special rules, with extensive research and input from industry.

B. Commission Action on Executive and Other Committee Reports

At the conclusion of Ms. Hecht's report, Mr. Valentine moved to ratify all actions of the Executive Committee during the past fiscal year and approve the committee reports. The motion passed by voice vote.

VII. Unfinished Business

There was no unfinished business to address

VIII. New Business

A. Recommended Amendments to Bylaws

Marshall Stranburg, MTC Deputy Executive Director, noted that some bylaws contain language that is now inconsistent with the Commission's current policies. They were amended accordingly, with no change to the substance. Other amendments were made to terms that reflect gender references, to eliminate uncertainty over the commencement of

terms, to clarify procedures for filling vacancies, and to conform dates for preparation of the annual report of the Commission. Dee Wald, North Dakota, moved for approval of the amendments. The motion passed by roll call vote, with 13 in favor and none opposed.

B. Other Business

There was no other business.

IX. Report of the Resolutions Committee

There was one new or renewed resolution or policy statement this year, along with a number of honorary resolutions. Resolution No. 2017-01, *Congressional Consideration of State and Local Tax Systems When Making Federal Policy Decisions*, required a roll call vote. Ms. Wald moved to adopt the resolution, and the motion passed by roll call vote, with 13 in favor and none opposed. The remaining resolutions were honorary, and Mr. Valentine moved to accept them. The motion passed by voice vote.

X. Report of the Nominating Committee

The nominating committee presented a slate of nominees to fill the officer and at-large positions on the Executive Committee for 2017-2018. There were no nominations from the floor.

XI. Election of Officers and Executive Committee

Mr. Garrett moved to adopt the slate of nominees. The motion passed by voice vote.

XII. Report of the Chair

Mr. Jackson announced his retirement, and reflected on the health of the organization: “the real genius of the Compact is to look to the future.” He passed the position to Mr. Valentine and received a standing ovation. On behalf of the Commission, Mr. Matson gave Mr. Jackson a plaque memorializing his service to the organization.

XIII. Comments by Chair-Elect

Mr. Valentine took the floor and promised to do his best as he “stood on the shoulders of giants.” Ken Roberts, Idaho, introduced Mr. Jackson’s wife Trudy and the Commission thanked her as well.

XIV. Adjournment

Ms. Prosser moved to adjourn. The meeting adjourned at 4:42 p.m.