



MULTISTATE TAX COMMISSION

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Maximizing the synergies of multi-state tax cooperation

**National Nexus Program (NNP) Director's Report for FY 2017 to Date
December 13, 2016
Westin Houston, Memorial City
945 Gessner Road
Houston, Texas 77024**

**Friendship
1845**

Multistate Voluntary Disclosure Program (MVDP)

This fiscal year results to date are very encouraging—so far on pace to exceed the outstanding results for FY 2016. The average value of disclosures to date has increased from last fiscal year, as well.

- Nexus states' collections: \$8,695,808 (\$22,317,942 in all FY 2016)
- Nexus states' executed contracts: 140 (488 in all FY 2016)
- Nexus states' average contract value: \$ 62,113 (FY 2016: \$46,747)

These amounts include funds received by the Commission. Interest on back tax paid and the value of a new taxpayer are not included.

Strategic Planning

The Nexus Committee is currently working on the strategic planning project to improve the information on the Multistate Voluntary Disclosure Program (MVDP) website for clarity and ease of use. The Nexus Committee Work Group made several recommendations, which were approved at the Nexus Committee's July 25, 2016 meeting in Kansas City, Missouri. These included highlighting the visibility of the MVDP on the website with a sliding banner, substantial simplification and revisions to the application and instructions, the description of the Nexus Program, and the standard agreement form, as well as elimination of duplicative information. The Work Group also recommended publishing the participating states' lookback periods on the Nexus Program website. The Work Group has developed a draft document disclosing participating states' lookback periods for consideration by the

Nexus Committee. This issue will be discussed further at the Nexus Committee meeting on December 13, 2016 in Houston, Texas.

Membership

There are currently thirty-eight participating states (including the District of Columbia) in the National Nexus Program, with Delaware having joined at the beginning of this fiscal year. Commission staff continues to reach out to non-members.

Outreach

Richard Cram presented on sales tax basics for non-profits organizations and the MVDP to the GWSCPA in Washington, D.C. on October 11, 2016. Richard presented on income tax nexus developments at the NYSSCPA New York State Taxation Conference in New York City on November 8, 2016. Richard has presentations scheduled on tax nexus law developments and the MVDP on February 16, 2017 to the Cornell State and Local Tax Study Group in New York City, and on March 22, 2017 at the Prosper Show in Las Vegas, Nevada, where the audience will be Amazon FBA (fulfilment by Amazon) sellers. Richard will be participating on a panel discussing factor presence nexus at the ABA SALT Committee meeting in Orlando, Florida on January 20, 2017.

Staff continues to urge states to put a link to the NNP on their voluntary disclosure web pages.

Streamlined Sales Tax Voluntary Disclosure Project

Richard Cram attended the State and Local Advisory Council (SLAC) and Streamlined Sales and Use Tax Agreement, Inc. (SSUTA) Governing Board meetings in Atlanta, Georgia on October 12-14, 2016. Work continued on the project to require disclosure of how member state voluntary disclosure programs will treat registration of a new remote retailer in the SSUTA centralized registration system, which registers that retailer in the member states for sales/use tax, when that retailer may also wish to apply for voluntary disclosure in those states. The project is intended to encourage states to allow sellers to register through the centralized registration system without this jeopardizing eligibility for voluntary disclosure. The SLAC workgroup is developing a draft “disclosed practice” to add to the taxability matrix for member states to indicate how a retailer’s registration in the SSUTA centralized registration system may affect eligibility for voluntary disclosure in that state. Richard is participating in the work group and in the drafting of the disclosed practice.

Nexus Schools

NNP staff co-taught a Nexus School in Montgomery, Alabama on November 30 and December 1, 2016. Please let a member of the Commission staff know if your state would like to host a school.

State Tax Amnesty Programs

Pennsylvania’s amnesty program will commence April 21, 2017 and end June 19, 2017.

The NNP posts on its web page a list of upcoming and current state tax amnesties. Please inform NNP staff if you would like the Commission to post your state’s amnesty.

Staffing

The NNP presently has three full-time staff members and one part-time staff member: Richard Cram, Director; Diane Simon-Queen, Voluntary Disclosure Program Manager; Michelle Lewis, Paralegal; all full-time, and Eva Wu, Administrative Assistant, who is part-time and a college student, working eight-to-sixteen hours per week, assisting with processing voluntary disclosure applications, as well as filing and data entry work.

Richard Cram
Director, National Nexus Program