



MULTISTATE TAX COMMISSION

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Maximizing the synergies of multi-state tax cooperation

National Nexus Program (NNP) Director's Report for FY 2016
July 25, 2016
Crowne Plaza—Downtown Kansas City
1301 Wyandotte Street
Kansas City, Mo. 64105

Salus populi suprema lex esto
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Multistate Voluntary Disclosure Program

Fiscal year 2016 was very productive for Multistate Voluntary Disclosure Program tax collections received through voluntary disclosures. From July 1, 2015 through June 30, 2016, the Commission recovered \$22,232,368 in tax payments on behalf of NNP member states from 443 completed voluntary disclosure contracts, a substantial increase over FY 2015 tax payments of \$13,850,712. In addition, the Commission recovered \$31,845 on behalf of non-member states. Since July 1, 2014, NNP staff no longer accepts voluntary disclosure applications for non-member states. The above amounts do not include interest (which the states bill directly), or the future value of newly enrolled taxpayers.

Staffing

The NNP staff presently contains three full-time employees and one part-time employee. Thomas Shimkin, long-time Director of the NNP, resigned that position to become the Commission's Legislative Counsel, and Richard Cram became the new Director on February 29, 2016. The other staff members include Diane Simon-Queen, recently promoted to Voluntary Disclosure Program Manager, Michelle Lewis, Paralegal, and, Eva Wu, who is a part-time administrative assistant.

Membership

Currently, thirty-eight states including the District of Columbia participate in the NNP. We are pleased to report that Delaware has joined the NNP as a new member state, effective July 1, 2016. The Commission continues to reach out to non-member states.

Nexus Committee Strategic Planning Projects

NNP staff supported the work of the Nexus Committee in completing two Strategic Planning Projects: (1) to increase National Nexus Program state membership (completed at the July 27, 2015 meeting in Spokane); and (2) to improve the Multistate Voluntary Disclosure Program (completed at the December 9, 2015 meeting in Charleston). NNP staff most recently supported the Nexus Committee Workgroup on a new project (approved at the March 3, 2016 meeting in Salt Lake City) to review MTC Multistate Voluntary Disclosure Program materials on the website for clarity and ease of use, which was a recommendation included in the final report on the Project to improve the Multistate Voluntary Disclosure Program. The workgroup consists of Karolyn Bishop (Washington), Leader, Michael Christensen (Utah), Rebecca Johnston (Washington), and Deborah Lee (Alabama). The Workgroup conducted teleconference meetings on June 15, 23, and July 6, 2016, recommending various revisions to the Nexus Program website information and materials. The Workgroup completed its assignment and will report recommendations to the Nexus Committee at the July 25 meeting. In addition to NNP staff, Sabrina Worthington, MTC Website Manager has also supported the Workgroup's efforts by implementing many of the Workgroup recommendations on the website.

Outreach

Thomas Shimkin presented at the Institute for Professionals in Taxation's Annual Meeting in San Diego, California on July 1, 2015 (voluntary disclosure and update of nexus); and Georgetown Law Center's annual Advanced State and Local Tax Institute in the District of Columbia on August 6, 2015 (voluntary disclosure and amnesty). Mr. Shimkin appeared on March 2, 2016 at the ABA/IPT tax conference in New Orleans to serve on a panel concerning multistate voluntary disclosure.

Richard Cram has been invited to make a presentation on nexus issues to the New York State Society of CPAs on November 8, 2016 in New York City.

States are encouraged to include a link on the voluntary disclosure pages of their websites to the NNP.

New Streamlined Sales Tax Voluntary Disclosure Project

Richard Cram attended the Streamlined Sales and Use Tax Agreement, Inc. (SSUTA) Governing Board meeting in Providence, R.I. on May 3-4, 2016. The Governing Board approved a new State and Local Advisory Council (SLAC) 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 also registers that retailer in the member states, when that retailer may also

wish to apply for voluntary disclosure in those states. SLAC will establish a workgroup to develop a revision 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 plans to participate in the work group, once it is established.

Nexus Schools

NNP staff co-taught a Nexus School in Helena, Montana on November 17 and 18, 2015, and another in Madison, Wisconsin on March 30-31, 2016.

Please let a member of the Commission staff know if your state is interested in hosting a Nexus School.

Tax Amnesties

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 information on your state's tax amnesty program.

Richard Cram
Director, National Nexus Program