



MULTISTATE TAX COMMISSION

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National Nexus Program (NNP) Director's Report for FY 2020 July 28, 2020

Multistate Voluntary Disclosure Program (MVDP)

The Nexus Program FY 2020 results (July 1, 2019, through June 30, 2020) are provided below.

- Nexus states' collections: \$21,551,287 (\$14,695,429 FY 2019)
- Non-Nexus states' collections: \$0 (\$48,892 FY 2019)
- Nexus states' executed agreements: 544 (379 FY 2019)
- Nexus states' average contract value: \$36,616 (FY 2019: \$38,774)

The above amounts include checks received by the Commission or amounts paid by the taxpayer directly to the states and reported to the Commission. Interest on back tax paid and the value of a new taxpayer are not included. Applications continue to increase in the post-*Wayfair* era. The Commission received applications from 208 taxpayers in calendar year 2019. So far this calendar year 2020, 150 taxpayers have applied. Most of the applications are based on economic nexus.

Membership

There are currently thirty-eight participating states (including the District of Columbia) in the NNP, with Rhode Island having most recently joined effective October 1, 2017. Commission staff continues to reach out to non-member states.

Outreach

Richard participated in the following events:

panelist in The Knowledge Group webinar presentation entitled "Ensuring Compliance with Tax Laws and Minimizing Audit Risks with Sales Tax Automation" on July 31, 2019;

panelist at NESTOA meeting in Providence, RI, September 11, 2019, on "Marketplace Facilitators;"

presenter, MTC Corporate Income Tax Training in Itasca, Illinois on September 24, 2019, on recent income tax nexus decisions; and

State and Local Advisory Council and Streamlined Sales and Use Tax Governing Board meetings in Charleston, West Virginia on October 1-2, 2019 to provide a briefing on the activities of the *Wayfair* Implementation and Marketplace Facilitator Work Group;

panelist at National Taxpayers Conference in Washington, DC, October 21, 2019 on "State Tax Policy in a Post-*Wayfair* World," with Andrew Moylan and Jared Walczak;

panelist at Paul J. Hartman SALT Forum in Nashville, TN, October 29, 2019 on "*Wayfair* and the Future of State Income Tax Nexus;"

panelist at *Bloomberg Tax* Leadership Forum, The Newseum, Washington, DC, November 19, 2019 on "Aftershocks of *Wayfair*;"

panelist at AICPA SALT TRP, Washington, DC, update on nexus law developments, November 21, 2019;

panelist at FTA Tax Compliance Workshop, San Diego, CA, February 24, 2020 on "Finding 'Hidden' Remote Sellers and Encouraging Them to Register;" February 25, 2020 on "Digital Products and Services: What States Tax and How;"

panelist with David Fruchtman, Steptoe & Johnson LLP, webinar on "State and Local Taxation: Headline News and Trends," March 25, 2020;

co-panelist, NCSL SALT Task Force webinar, *Impact of the CARES Act on State Tax Systems*, May 1, 2020;

interviewed by reporter Jennifer McLoughlin for Tax Notes Talk podcast recording: post-*Wayfair* tax update, June 11, 2020;

co-panelist at AICPA SALT TRP, virtual teleconference, update on voluntary disclosure program developments, June 15, 2020;

observer, Uniform Law Commission Online Sales Tax Collection Study Committee teleconference, June 22, 2020;

co-panelist, The Knowledge Group webinar presentation, *State Sales Tax: Trends and Updates since South Dakota v. Wayfair* (Cram, co-panelist), June 23, 2020.

Richard published the following articles in *Tax Analysts State Tax Notes*: “*National Geographic—Still Relevant After Wayfair?*” (January 27, 2020); “*No More Dilworth Formalism After Wayfair*” (March 2, 2020).

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

Nexus School

No Nexus Schools are currently being scheduled. Please let a member of the Commission staff know if your state would like to host a Nexus School.

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 your state's amnesty.

Staffing

The Program presently has four permanent full-time staff members: Richard Cram, Director, Diane Simon-Queen, Voluntary Disclosure Program Manager, Michelle Lewis, Paralegal, and James Lee, Program Specialist.

Richard Cram, Director, National Nexus Program