

Project description: Process Improvement for Multistate Voluntary Disclosure Program

V 1.4 1-26-2015

The purpose of this project is to identify opportunities to improve the MTC Multistate Voluntary Disclosure Program to make it more efficient and effective. The project will evaluate the current MVD process and recommend improvements.

Problem: The Multistate Voluntary Disclosure Program requires a significant amount of information from taxpayers, and involves many steps in which taxpayers, state personnel and the MTC National Nexus Program staff must process and transmit information. There are opportunities to streamline the voluntary disclosure program to make it more efficient and effective for the states and taxpayers, as well as the MTC staff.

Risks: A process that involves many steps and a substantial amount of time and effort is less likely to be used by taxpayers and states. The MTC Multistate Voluntary Disclosure Program is currently the primary program offered by the National Nexus Program. If it isn't being used by significant numbers of states or taxpayers, it cannot return the best value to both constituencies. Also, a complex system can result in a slower process.

Issues for review:

- How the current process works; flow chart of process
- How is communication between the taxpayer, MTC and affected states handled?
- Where are the opportunities to shorten time lines? (Will include baseline measures, where obtainable.)
- How do taxpayers and practitioners view the process, and what barriers do they experience?
- How might we increase the likely return on investment to the states?
- Do we have the right staff (both number and skill sets)?
- Are there opportunities to condense and standardize the information requested of taxpayers? Could templates be developed and used?
- How do the states view the process, especially those state employees who process voluntary disclosure applications?
- What can be learned from how states handle their own voluntary disclosure programs?
- How might the program be better publicized?
- What improvements would give the best return for the cost of implementing them?
- What components of the program take more effort than the value perceived for both states and taxpayers, and at what cost to the program?
- Should exclusion of states that don't participate in National Nexus Program continue?
- What information is needed for multiple tax types (sales, income, withholding or special industry)?
- Is uniformity among the states desirable, and if so, how can it be achieved?

Expected outcomes from the project:

- List of opportunities for improvement to the MTC Voluntary Disclosure Program.
- Estimate or description of likely costs and benefits of any recommended changes.
- List of recommended measures for determining whether more taxpayers and states are using the MTC VDC process.
- Recommended targets for time to complete a voluntary disclosure.

Who should be involved in the project:

- State staff who work with voluntary disclosure
- MTC staff who work with voluntary disclosure
- Taxpayers and practitioners

