



MINUTES OF MEETING HELD AUGUST 3, 2017

Executive Committee Meeting

Galt House Hotel
140 North Fourth Street
Louisville, Kentucky

8:00 a.m. to 12:00 noon Eastern Time

I. Roll Call of the States

The chair, John Valentine (Utah) called the meeting to order at 8:30. A quorum was in attendance. The following is a list of members and participants:

Phil Horwitz, Colorado	Richard Cram, MTC
Brendon Reese, Colorado	Lila Disque, MTC
Steven Alvarez, Georgia	Elliott Dubin, MTC
Rich Jackson, Idaho	Bruce Fort, MTC
Ken Roberts, Idaho	Keith Getschel, MTC
Adam Humes, Iowa	Helen Hecht, MTC
Nathan Hoepfner, Kansas	Greg Matson, MTC
Jennifer Hays, Kentucky	Thomas Shimkin, MTC
Mike Kadas, Montana	Jeff Silver, MTC
Dee Wald, North Dakota	Marshall Stranburg, MTC
Nia Ray, Oregon	
Nancy Prosser, Texas	
John Valentine, Utah	
Gil Brewer, Washington	

II. Initial Public Comment Period

There was no public comment.

III. Approval of Minutes of the Annual Business Meeting held May 11, 2017

Nancy Prosser (Texas) moved for approval of the minutes. The motion passed by voice vote.

IV. Report of the Chair

Mr. Valentine had no comments at this time.

V. Report of the Treasurer

Gregory S. Matson, Executive Director, speaking on behalf of the outgoing treasurer, Ryan Rauschenberger (North Dakota), presented the Financial Report for the 12-month period July 1, 2016 – June 30, 2017. The most notable item remains the Commission's purchase, in October 2016, of software from Cleo Communications for \$49,500 along with 1-year support for an additional \$9,900. This purchase provides a managed file transfer (MFT) solution that will enable MTC staff to securely manage and control data flow with external (non-MTC) personnel. The total purchase amount was charged to administration/IT operations and allocated to the operating departments of the Commission. Audit and Nexus Programs reported surpluses as a result of vacant positions, while the training program broke even since it operates on a cost-recovery basis. Revenues showed a favorable variance as a result of Delaware joining the Nexus Program. Expenditures for Salaries, Retirement, and Employee Insurance showed the same as a result of the employee vacancies. Mike Kadas (Montana) moved to approve the financial report. The motion passed by voice vote.

VI. Report of Executive Director

Mr. Matson introduced an updated version of the Commission's employee handbook for the Executive Committee's review. Bylaw 3(h) states that the Executive Committee determines the personnel policies of the Commission, which are implemented by the Executive Director. Marshall Stranburg, Deputy Executive Director, summarized the edits, and emphasized that the revised handbook has been updated to reflect current practices and reflects no change in MTC policy.

VII. Other Reports

Helen Hecht, General Counsel, gave a report from the Uniformity Committee regarding its three main projects: Section 18 special rules for sales factor for certain taxpayers, use tax information reporting, and provisions to adapt to new federal partnership audits. Regarding the partnerships project, the Commission was given a proposal by interested parties, and at their meeting the Uniformity Committee decided it was a useful starting point. The partnerships work group will continue to meet biweekly and make an effort to expedite the project.

Richard Cram, Nexus Program Director, reported that the Nexus Committee moved forward with a proposal for a time-limited voluntary disclosure program aimed at marketplace sellers. The application period would be August 17 through October 17. Ken Roberts (Idaho) asked about efforts made to promote the program. Mr. Cram stated that he had already been contacted by a number of press organizations. Companies that have developed sales and use tax collection and reporting software have expressed interest in supporting the initiative and states that wish to participate should opt in as soon as possible.

VIII. Federal Issues with State Tax Implications

Thomas Shimkin, Legislative Counsel, discussed pending and possible federal

legislation that would impact states and their authority to tax. He also mentioned potential federal tax reform plans, although no specifics on the contents of the plan have been announced.

VIX. Upcoming Meetings & Events

Mr. Matson reminded attendees of the next MTC meetings, which will be held in New Orleans November 15-17. Massachusetts will be hosting the 2018 Annual Conference and Meetings in Boston, and details will be posted nearer the date. The spring committee meetings, including the Executive Committee, will be in April, as determined previously, but the details are not yet arranged. Mr. Matson then requested a volunteer to be the host state for the annual conference and meetings in 2019. Idaho offered to host, and Ms. Prosser moved to accept. The motion passed by voice vote.

Dee Wald (North Dakota) moved to go to closed session. The motion passed by voice vote.

X.

CLOSED SESSION convened at 9:16

PUBLIC SESSION RECONVENED at 9:42

XI. Resumption of Public Session and Reports from Closed Session

There were no reports from the closed session.

XII. Adjournment

Mr. Roberts moved to adjourn. The meeting adjourned at 9:44am.