Executive Committee
Multistate Tax Commission
444 N. Capitol Street NW, Suite 425
Washington, DC 20001

Dear Executive Committee Members:

As Chair of the MTC Arm’s-Length Adjustment Service Advisory Group, it is my privilege to transmit to you the Preliminary Design for that service.

I would be remiss if I did not begin by thanking the members of the Advisory Group and our facilitator, Dan Bucks, for their work on this project. I am particularly thankful for Dan’s work, which managed to both move the project forward in a timely manner and ensure that the project design was a true reflection of the Advisory Group’s discussions and guidance. Dan made my job easy.

The Advisory Group engaged in extensive discussions of this design over several meetings and teleconferences and guided its preparation. Interested states contributed specific suggestions between meetings to refine this work further. On October 6, in Atlanta, the Advisory Group also conducted a “first of its kind” informational session with economic and tax policy experts prepared to assist the states with related party transaction and transfer pricing issues. On November 3, the Advisory Group selected from among three alternatives the approach to the development of the service incorporated in the design. All of these processes and decisions have produced the document now presented for your review.

The Advisory Group seeks your comments and direction with regard to the Preliminary Design. We will adjust the document to reflect your discussions on December 12, by early next year. Should you find the design sufficiently satisfactory—or satisfactory with forthcoming change—you may also wish to authorize the Executive Director to begin circulating the draft to interested states to consider participation in the proposed service. By circulating the design to states for participation, the MTC may receive further comments, ideas or requests that would be considered for incorporation into the design.

Whatever the preference of the Executive Committee, the Advisory Group stands ready to assist however we can to move this service forward to implementation.

Thanks you,

Sincerely,  
Joe Garrett
Chair, Arm’s-Length Adjustment Service Advisory Group

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