To: Executive Committee  
From: Lennie Collins, Nexus Committee Chair  
Re: Nexus Committee Activities July 1 – October 31, 2014

**Meetings**

The Nexus Committee met on July 23, 2014 in San Diego, California. It will meet on December 10, 2014 in Nashville and on March 10, 2015 in Kansas City, Missouri.

**Multistate Voluntary Disclosure**

The committee continues its oversight of the multistate voluntary disclosure program. Revenue recovered to date this fiscal year (July 1, 2014 – October 31, 2014):

- Nexus states’ collections: $3,160,318 ($10,757,075 in all FY 2014)
- All states’ collections: $4,342,268 ($11,606,862 in all FY 2014)
- Nexus states’ executed contracts: 254 (2,222 in all FY 2014)
- All states’ executed contracts: 303 (2,704 in all FY 2014)
- Nexus states’ average contract value: $12,442 (FY 2014: $4,841)
- All states’ average contract value: $14,330 (FY 2014: $4,292)

*Please Note: All of the above amounts include only amounts actually received before the Commission closes its File; neither interest, which taxpayers pay directly to states after their Commission Files are closed, nor the future value of new taxpayers, is included. Hence, the actual value of each case is higher than reflected here.*

**Low-Value and Zero-Value Voluntary Disclosures**

Also at the committee’s request, on July 1st the National Nexus Program implemented a $500 minimum threshold of back liability for a taxpayer to participate in multistate voluntary disclosure. Taxpayers are welcome to apply in any member state when its good-faith estimate of back liability exceeds $500 in that state.

The committee clarified an ambiguity in Nexus voluntary-disclosure policy at its July 2014 meeting by amending a Nexus policy document.

**Information Exchange**
The committee has continued its round-table-style exchanges of information and best practices between states on nexus-related compliance issues. The committee will dedicate most of its in-person meetings in fiscal year 2015 toward this goal and anticipates doing so indefinitely.

**Service to Non-Members**

The committee requested that NNP staff discontinue as of July 1, 2014 its long-standing practice of offering multistate voluntary disclosure services to all states without regard to their membership status in the NNP. Staff has notified the affected states and invited them to continue their work with the NNP as members.

**Strategic Planning**

The committee continues to work on strategic planning. With the leadership of consultant Elizabeth Harchenko, the committee approved two projects based on its already-completed Environmental Scan (SWOT), and development of its Mission, Vision, and Goals. The committee dedicated most of its July 2014 meeting to strategic planning. It will likely dedicate an hour or two at its December and March meetings.

The first project will increase membership in the National Nexus Program by identifying and addressing barriers to membership and directly contacting decision makers to invite their states to join. I have sent a letter to a representative of each non-member state requesting that he or she speak with a member of the project team to identify these barriers. Team members will begin to make these telephone calls in early December. I anticipate completion of the project in January 2015.

The second project will identify ways to increase the efficiency of the multistate voluntary disclosure process. This is related to the first project – states will be incentivized to join if the program increases its returns on investment for member states.