



MULTISTATE TAX COMMISSION

TO: MTC Executive Committee
FROM: Julie Magee, Chair; Strategic Planning Steering Committee
DATE: December 11, 2015
SUBJECT: Report of the Strategic Planning Steering Committee

The Strategic Planning Steering Committee has met several times by teleconference between the Annual Meeting last July and today. During those meetings, we continued our reviewed of our progress in achieving our MTC vision of becoming the leading resource for assuring equitable tax compliance. We discussed ways in which the Steering Committee and the MTC membership could continue to move forward in making this vision a reality by 2019.

On December 10, 2015, we received a report from the Nexus Committee on its project for improvement of the Multistate Voluntary Disclosure Program. The project team recommended three possible projects to address causes for delay in the voluntary disclosure process. The Nexus Committee had also identified a possible project to increase information sharing among the states. The Nexus Committee will develop detailed descriptions for each of these possible projects and prioritize them. The Nexus Committee will report back to the Steering Committee on its conclusions in March.

We also decided to go forward with a project to reach out to taxpayers and practitioners to help make the Commission aware of tax compliance issues of concern to taxpayers. We selected project team members and approved both a project description and a project plan. The project team will include: Rich Jackson (ID), MTC Vice-Chair; John Allen of the Jones, Day law firm; Wood Miller (MO), chair of the MTC Uniformity Committee; and Thomas Shimkin from the MTC staff. A member of the MTC Executive Committee and a practitioner from the accounting community will round out the project team membership. That project will start in January 2016. The project description and project plan are attached to this report.

Also in connection with our priority focus on the compliance element of the MTC Vision, we began a discussion with committee chairs and key MTC staff about more closely aligning the work of the committees with the MTC's vision and goals. Greg Matson and Julie Magee will continue the conversation with committee leaders about this sharpening of focus.

The statement of MTC Mission, Values, Vision and Goals is attached for your information.

Respectfully submitted,

Julie Magee, Chair

Project description: MTC Outreach to Taxpayers and Practitioners

V 2.0 (Approved by MTC Strategic Planning Steering Committee 12-10-15)

This project will involve development of a systematic process of regular outreach to taxpayers and practitioners that facilitates the Commission's awareness of tax compliance issues of concern to taxpayers. The project will also include development of recommended processes for addressing identified taxpayer concerns.

Problem: The MTC's vision includes the following element: "By 2019, the MTC will be recognized as the leading resource for ensuring equitable tax compliance." The MTC's current tax compliance activities are focused on issues of concern to the states. The MTC does not regularly reach out to taxpayers or practitioners in the state and local tax community to identify compliance issues that are of concern to taxpayers.

Risks: Taxpayers, practitioners and the public are unlikely to view the MTC as the leading resource for ensuring equitable tax compliance if the MTC does not actively seek information from taxpayers and practitioners about issues of concern to those groups.

Issues for review:

- Identify ways that states can provide information about tax compliance issues that they hear of from taxpayers and practitioners
- Identify ways that MTC Committees can provide information about tax compliance issues that they hear of from taxpayers and practitioners
- Identify ways that taxpayers and practitioners can more easily raise issues of concern through MTC staff
- Develop a process for determining which issues can be addressed, and how to address them

Expected outcomes from the project:

- Recommended process for actively soliciting taxpayer and practitioner compliance concerns
- Recommended process for addressing issues identified by taxpayers and practitioners

Who should be involved in the project:

- Taxpayer representative – John Allen, attorney (Jones, Day)
- SALT practitioner – to be determined
- MTC staff – Thomas Shimkin
- MTC Strategic Planning Steering Committee (project sponsor) – Rich Jackson (ID), MTC Vice Chair
- MTC Executive Committee member – to be determined

Taxpayer Outreach Project Plan

V 2.0

(Approved by MTC Strategic Planning Steering Committee 12-10-15)

PROJECT: MTC Outreach to Taxpayers and Practitioners

PROJECT TEAM: Rich Jackson (ID) MTC Vice Chair; John Allen, attorney (Jones, Day); Thomas Shimkin, MTC staff; Accounting firm member -to be determined; MTC Executive Committee member – to be determined

STAFF: Thomas Shimkin

FACILITATOR: Elizabeth Harchenko

PROJECT DESCRIPTION: The purpose of this project is to develop a systematic process for reaching out to taxpayers and SALT practitioners to facilitate the Commission's awareness of tax compliance issues of concern to taxpayers. The project will include development of recommended processes for addressing identified taxpayer concerns.

TARGET COMPLETION DATE: July 1, 2016

HIGH-LEVEL PROJECT TIME LINE:

- December 2015 – Identify team members
- January 2016 – First team meeting (teleconference). Review project description and project plan and make needed changes. Discuss research tools to use – email survey; telephone survey; in-depth interviews; who to contact; questions to be asked. Assign tasks.
- February 2016 – Conduct research.
- March 2016 – Team meeting (teleconference). Report and discuss preliminary findings.
- April 2016 – Discuss research findings and develop preliminary conclusions.
- May 2016 – Develop recommendations to MTC Steering Committee.
- June 2016 – Approve final report to MTC Steering Committee.

Estimated total time commitment for team members: 18 to 20 hours

MULTISTATE TAX COMMISSION – MISSION, VALUES, VISION AND GOALS (as of 7-23-13)

MISSION STATEMENT:

The Multistate Tax Commission is an intergovernmental state tax agency. Its mission is to:

- Achieve fairness by promoting compliance and consistent tax policy and practice; and to
- Preserve the sovereignty of state and local governments over their tax systems

VALUES:

Value Collaboration

- Share our expertise with members and stakeholders
- Develop and leverage shared resources among states to maximize return
- Engage federal, state, and local governments and taxpayers

Value Excellence

- Provide the highest quality legal, policy, and compliance services
- Provide superior support and training

Value Inclusivity

- Invite the participation of all stakeholders
- Act openly and transparently

Value Integrity

- Conduct all activities according to the highest ethical standards

Value Sovereignty

- Promote the authority of state and local governments to determine their own tax policies and administer their own tax systems
- Assist Congress to maintain a balance between states' sovereign powers and the role of the federal government in regulating interstate commerce

Value Uniformity

- Pursue uniformity of tax policy and practices by tax jurisdictions
- Stand up for the equitable treatment of taxpayers
- Support taxpayer accountability

VISION

By 2019, MTC will be recognized as:

- The “gold standard” for tax policy development
- The primary authority for the public and public officials on issues of state and local tax uniformity and fairness
- The leading resource for ensuring equitable tax compliance

STRATEGIC GOAL AREAS- Areas in which MTC must focus in order to achieve its vision

Vitality and reputation of the commission – Our goal is to improve our image and reputation nationally.

Increased vitality and reputation of the MTC will be reflected by:

- A higher level of institutional knowledge within the states about the MTC.
- A more stable model for funding the activities and services of the MTC.
- A more positive image and reputation nationally.
- A higher level of awareness and use of the MTC's services by state and local tax authorities.
- More effective and efficient decision-making processes and communication.

Engagement of states and other stakeholders – Our goal is to increase the level of institutional knowledge within the states about MTC. Greater engagement of the states and other stakeholders in the MTC will be reflected by:

- A high level of participation by states and local jurisdictions in the activities of the MTC.
- A significant number of top tax administrators will be directly involved in leadership of the MTC.
- Significant public participation in commission activities.
- Significant public use of MTC services such as voluntary disclosure and alternative dispute resolution.
- Strong relationships and strategic partnerships that help the MTC achieve its mission and vision.

Uniformity – Our goal is to increase uniformity in tax policy and administrative practices among the states. Achievement of the MTC's uniformity goal will be reflected by:

- Greater adoption of uniformity recommendations by state and local tax jurisdictions.
- Uniformity projects will have the greatest value to the states and stakeholders.
- More multistate tax issues will be referred first to the MTC for recommendation or resolution by the states, taxpayers and the federal government.

Compliance programs – Our goal is to develop timely and effective strategies to address new compliance challenges. Achievement of the MTC's compliance goals will be reflected by:

- Greater voluntary compliance by taxpayers with state and local tax laws.
- Earlier identification of compliance challenges by the states and MTC staff.
- Prompt development of strategies to address new compliance challenges by the states and MTC staff.
- Broad recognition for our leadership in addressing compliance issues.