



MULTISTATE TAX COMMISSION

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To: The Executive Committee
From: Christy Vandevender, Nexus Committee Chair
Re: Nexus Committee Activities 3rd Quarter, FY 2020
Date: April 23, 2020

Nexus Committee Report for 3rd Quarter, FY 2020

The Nexus Program 3rd Quarter, FY 2020 results (July 1, 2019, through March 31, 2020) are provided below.

- Nexus states' collections: \$15,290,411 (\$14,695,429 FY 2019)
- Non-Nexus states' collections: \$0 (\$48,892 FY 2019)
- Nexus states' executed agreements: 429 (379 FY 2019)
- Nexus states' average contract value: \$35,642 (FY 2019: \$38,774)

The above amounts include checks received by the Commission or amounts paid by the taxpayer directly to the states and reported to the Commission. Interest on back tax paid and the value of a new taxpayer are not included. The Commission received applications from 208 taxpayers in calendar year 2019, and so far this year, 77 taxpayers have applied. Most of the applications are based on economic nexus.

The Nexus Committee met in person on August 7, 2019, in Boise, Idaho, on November 5, 2019, in San Antonio, Texas, and conducted a teleconference meeting on April 21, 2020.

The Committee considered at the August 7, 2019 meeting: the results of the survey dated November 28, 2018, regarding participating states' treatment of voluntary disclosure agreements involving pass-through entities and the results of the lookback period calculation survey dated June 3, 2019.

The Committee considered and approved at the November 5, 2019 meeting: a proposed amendment to the standard agreement form used with taxpayers claiming sales and use tax economic nexus in states that have implemented sales and use tax economic nexus, which provides that the state or the Commission can void the agreement if the back tax liability for the lookback period shown on the taxpayer's spreadsheets or returns is less than \$500.

Randy Tilley, Idaho, has retired from the Idaho Tax Commission and Jayne Kulberg, Wisconsin, has replaced Randy as Vice Chair of the Committee.