To: MTC Executive Committee  
From: Lennie Collins, Nexus Committee Chair  
Re:  Nexus Committee Activities FY 2015 to date (July 1, 2014 through March 31, 2015)

This report summarizes activity of the National Nexus Committee to date (March 31, 2015) in fiscal year 2015.

**Multistate Voluntary Disclosure**

The Nexus Committee met on July 29, 2014 in Albuquerque, New Mexico; on December 10, 2014 in Nashville; and on March 11, 2015 in Kansas City, Missouri.

The committee continues its oversight of the multistate voluntary disclosure process. Revenue recovered to date this fiscal year through March 31, 2015 is shown below. Revenue shown for “all states” includes both member and non-member states of the National Nexus Program. Applications to Non-member states for which voluntary disclosure applications were filed prior to the July 1, 2014 cut-off for non-members to choose between membership and cessation of services will continue to have their benefit from the Multistate Voluntary Disclosure Program until all of their remaining applications have been processed and resulting agreements executed.

- Nexus states’ collections:  **$4,514,201**  ($10,757,075 in all FY 2014)  
- All states’ collections:  **$5,940,310**  ($11,606,862 in all FY 2014)

- Nexus states’ executed contracts:  **390**  (2,222 in all FY 2014)*  
- All states’ executed contracts:  **462**  (2,704 in all FY 2014)*

- Nexus states’ average contract value:  **$11,575**  (FY 2014: $4,841)  
- All states’ average contract value:  **$12,857**  (FY 2014: $4,292)

Please Note: All of the above amounts include only amounts actually received before the Commission closes its file. *The unusually large number of disclosure cases during this period is due to a single tax representative who represented about one hundred fifty clients, each client with multiple states (cases).
Strategic Planning Projects

In support of the Multistate Tax Commission’s overall strategic planning, the Nexus Committee has conceptualized, shaped, and continues to execute its vision to improve the National Nexus Program. The Nexus Committee has two on-going projects, both of which are expected to issue their final reports to the MTC’s Strategic Planning Committee at its July meeting in Spokane, Washington.

Two project teams are working on a project each:

1. Increase membership by identifying barriers to membership; explore avenues to give member states a fuller appreciation of the benefits of membership; and

2. Identify improvements to the NNP’s multistate voluntary disclosure process.

Over its three meetings in FY 2015, the Nexus Committee focused in large part on its Strategic Planning efforts, notably:

• Revisited and dismissed the idea of suggesting to the Executive Committee that local governments be encouraged to join the NNP;

• Considered the two project ideas that the then-Nexus-Committee’s Strategic Planning Project-Team recommended for referral to the MTC’s Strategic Planning Steering Committee.

• Approved the motion to submit both projects to the MTC’s Strategic Planning Steering Committee: (1) Increase membership in the National Nexus Program, and (2) Process Improvement for Voluntary Disclosure Program.

• Formed two project teams. The Membership Project Team includes: Christy Vandevender (AL), Deanna Munds-Smith (AR), Janice McGee (NM), Gene Walborn (MT). The Voluntary Disclosure Process Improvement Project Team includes: Anita DeGumbia (GA), Myles Vosberg (ND), Mike Christensen (UT), Christi Daniken (OR), and Ted Shiraishi (HI).
• Passed a motion to adopt the July 29, 2014 version of the Nexus Committee Strategic Project Team’s document “National Nexus Program – Mission, Vision and Goals” as the latest version.

• Shared information among members in roundtable on how the NNP has benefitted their respective states; how well the voluntary disclosure procedures of the states mesh with those of the NNP; and members provided other observations about the current multistate voluntary disclosure program.

Round-Table Discussions

The Committee has held a round-table discussion about compliance issues (including specific taxpayers) in closed session at each of its meetings this fiscal year. Members have found these discussions to be useful exchanges of information about compliance techniques and discovery leads.

Nexus School

Nexus staff provided on-site coordination and instruction at Nexus Schools, including:

• Little Rock on September 15-16, 2014
• Trenton on November 13-14, 2014
• Prattville, Alabama (near Montgomery) on February 2-3, 2015