



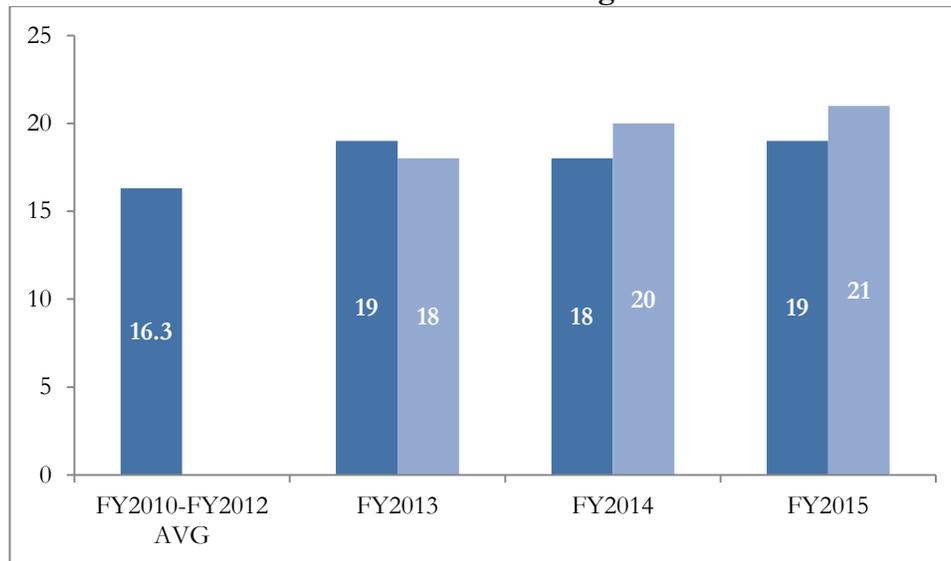
MULTISTATE TAX COMMISSION

To: Strategic Planning Steering Committee
From: Gregory S. Matson
Date: April 28, 2015
Subject: Performance Measures & Data for Engagement Goal Project

OUTCOME MEASURES¹

OUTCOME 1.² MORE COMPACT AND SOVEREIGNTY STATE PARTICIPATION IN COMMISSION ACTIVITIES.

1A. In-person Attendance by Compact & Sovereignty States at Annual Meetings



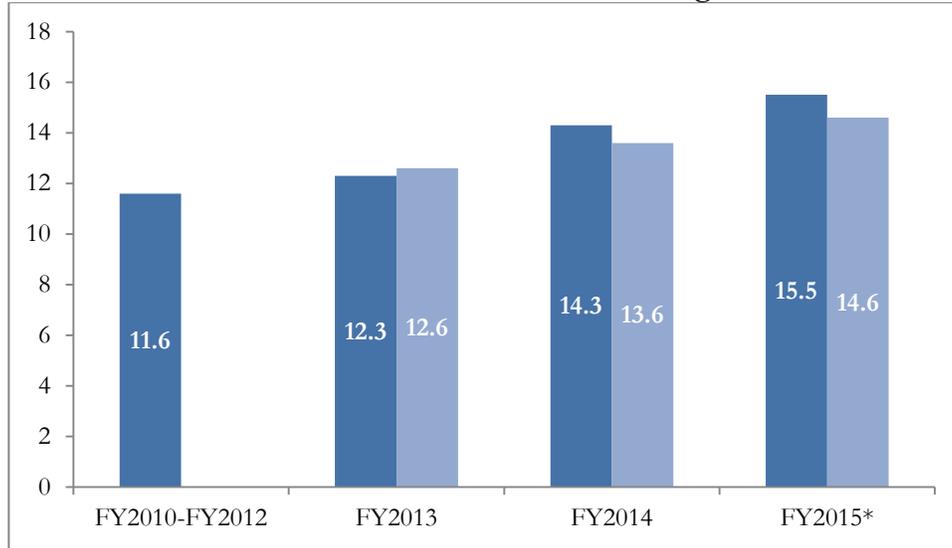
1A Target (lighter shade bar): Increase in-person attendance by compact and sovereignty member states at the Annual Meeting by 10% each year, to reach 90% of the compact and sovereignty member states represented in person at the 2016 Annual Meeting (currently 21).³

¹ The Measures and Baselines for MTC Engagement Goal that were approved at the beginning of FY2013 (July 24, 2012) specify a baseline range of 2009-2012; because the Commission operates on a fiscal year basis and relevant data are routinely prepared on that basis, for purposes of reporting this was interpreted to mean FY2010-FY2012 (July 1, 2009 to June 30, 2012).

² In determining Outcome 1 numbers, attendance lists in published minutes served as the primary source record, and where minutes were not available, registration lists from online registration processes were used.

³ This target is based on the current number of compact and sovereignty states and can change. Note that California and South Dakota repealed the Multistate Tax Compact in FY2013 and became associate members;

1B. Average In-person Attendance by Compact & Sovereignty States at Executive Committee Meetings



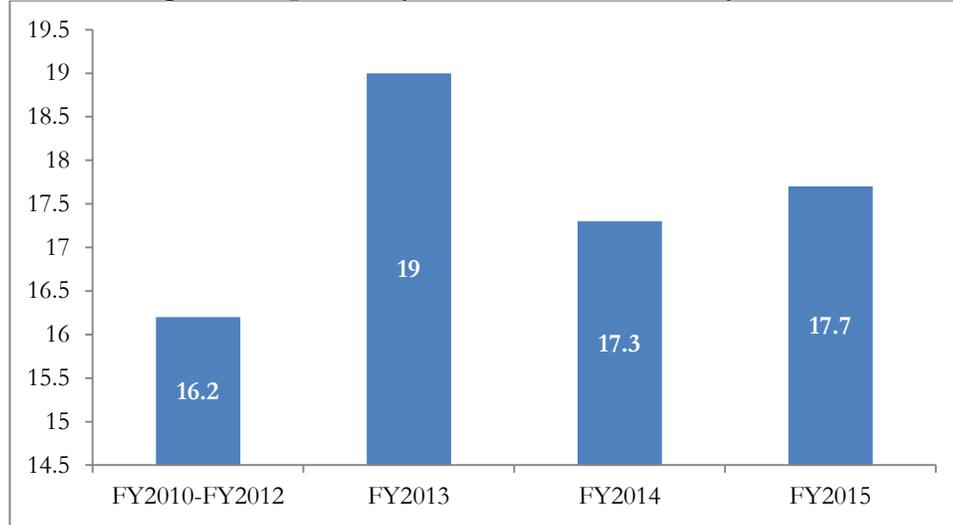
*to date

1B Target (lighter shade bar): Increase average in-person attendance by compact and sovereignty member states at Executive Committee meetings by 1 state each year over the next 3 years to 15 states on average during FY2016.⁴

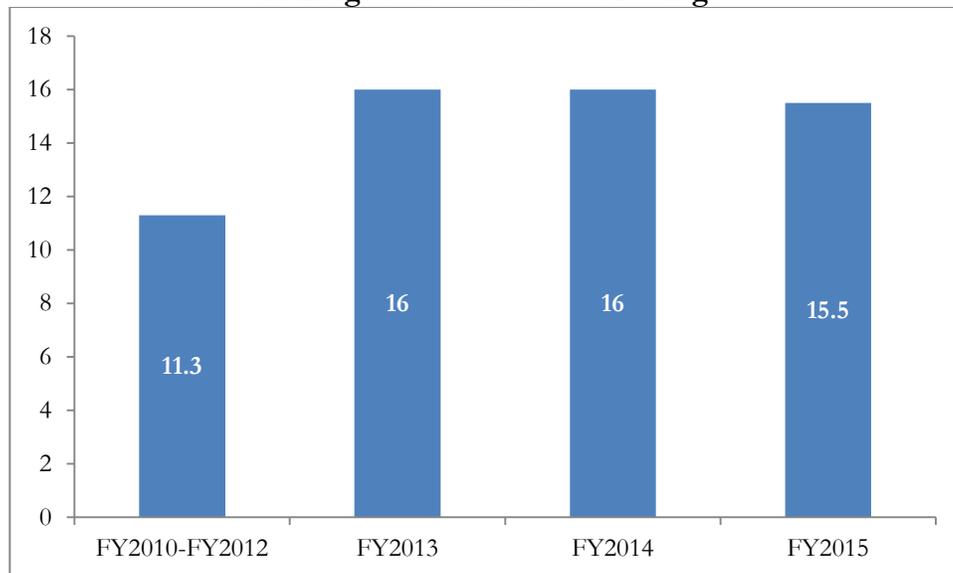
Minnesota repealed the Compact in July 2014, but became a sovereignty member. Michigan repealed the Compact in September 2014, but became a sovereignty member.

⁴ The baseline on which this target was established was based on calendar year data, which was subsequently conformed to the Commission's fiscal year calendar (see footnote 1); thus, the increase of one state per year did not add to the 19 after three years as originally specified, and the number was adjusted to 15.

1C-1⁵ Average Participation by All States in Uniformity Committee Meetings⁶



1C-2 Average In-person Attendance by All States in Litigation Committee Meetings⁷



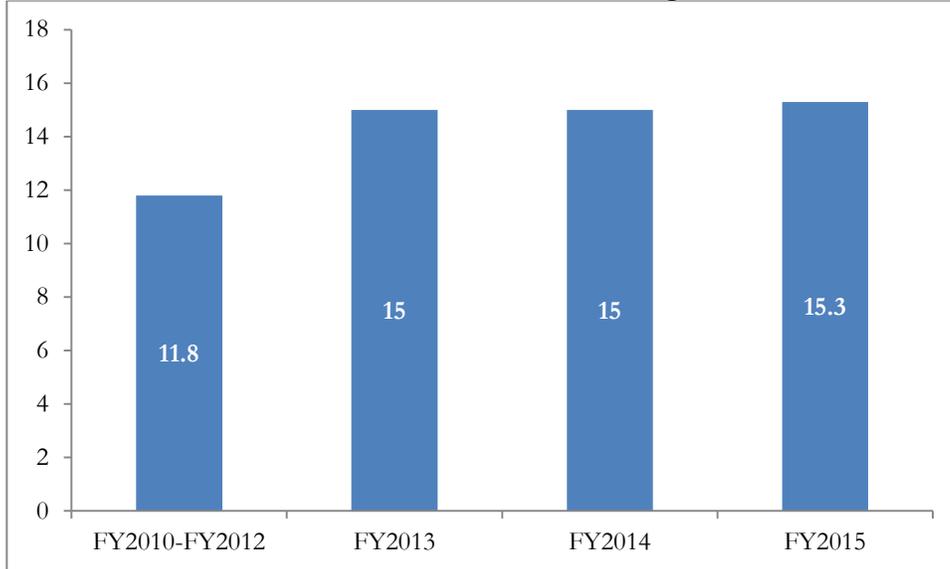
1C Target: Deferred.

⁵ Throughout this report, separate conjunctive baselines and measures, e.g., "...in Uniformity and Litigation committee meetings ..." use "-1" and "-2" to distinguish them.

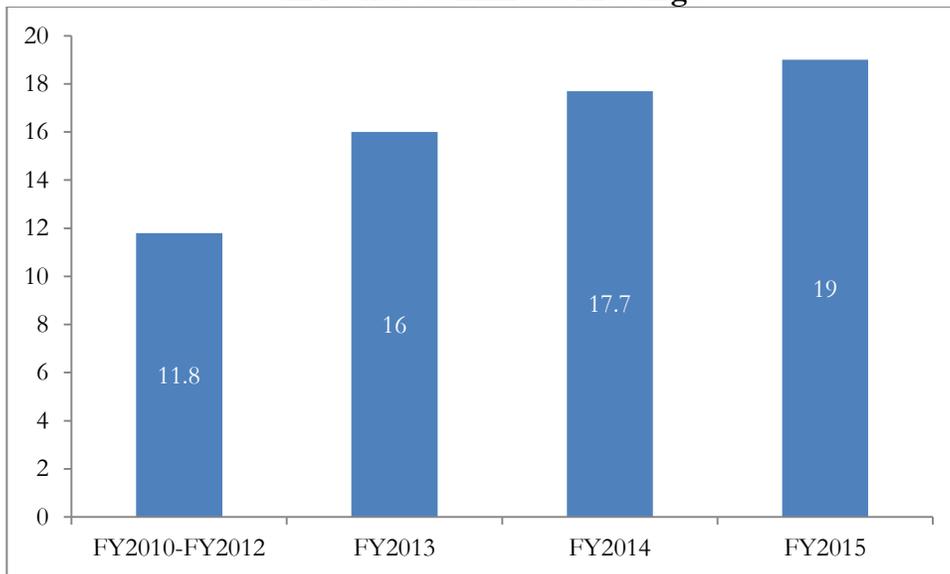
⁶ The Uniformity Committee does not always distinguish between in-person and telephonic attendance in its minutes; because of this, the measure was adapted from "in-person attendance" to "participation." And not all minutes were available, so where unavailable, registration lists were used.

⁷ The Litigation Committee does not keep minutes, therefore only registration lists were used.

**1D-1 Average In-Person Attendance by Program States
in Audit Committee Meetings**



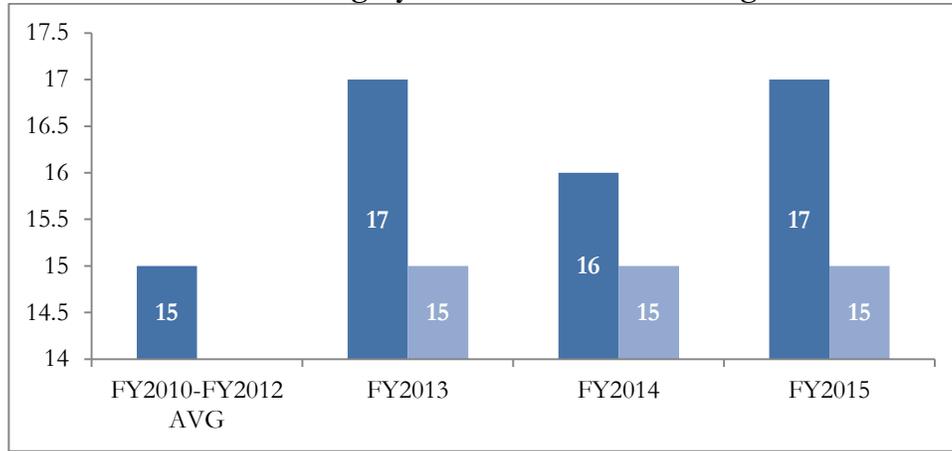
**1D-2 Average In-Person Attendance by Program States
in Nexus Committee Meetings**



1D Target: Deferred.

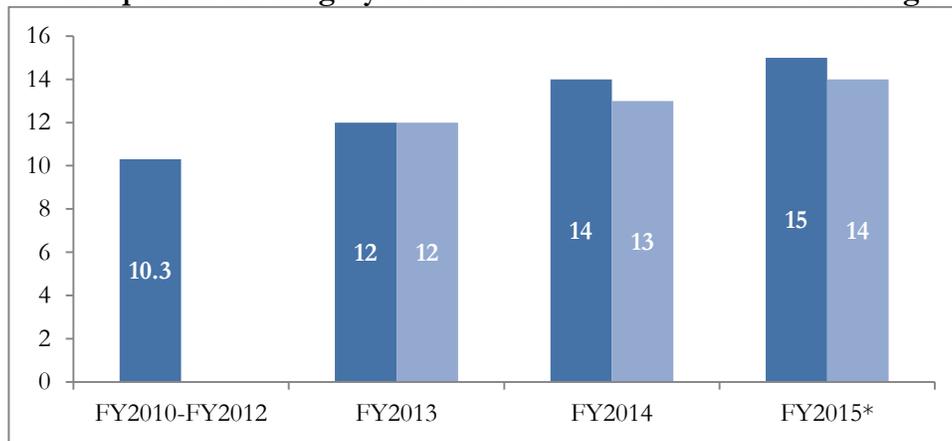
OUTCOME 2. MORE TOP TAX ADMINISTRATORS (OR REGULAR ALTERNATES)
PARTICIPATING IN COMMISSION ACTIVITIES.⁸

2A. Personal Attendance by Top Tax Administrators or Regular Alternates of Compact & Sovereignty States at Annual Meetings



2A Target (lighter shade bar): Increase the number of tax administrators (or regular alternates) of compact and sovereignty member states at the Annual Meeting by 10% each year over the next 3 Annual Meetings to 15 by the 2016 Annual Meeting.⁹

2B. Average Personal Attendance by Top Tax Administrators or Regular Alternates of Compact & Sovereignty States at Executive Committee Meetings



*to date

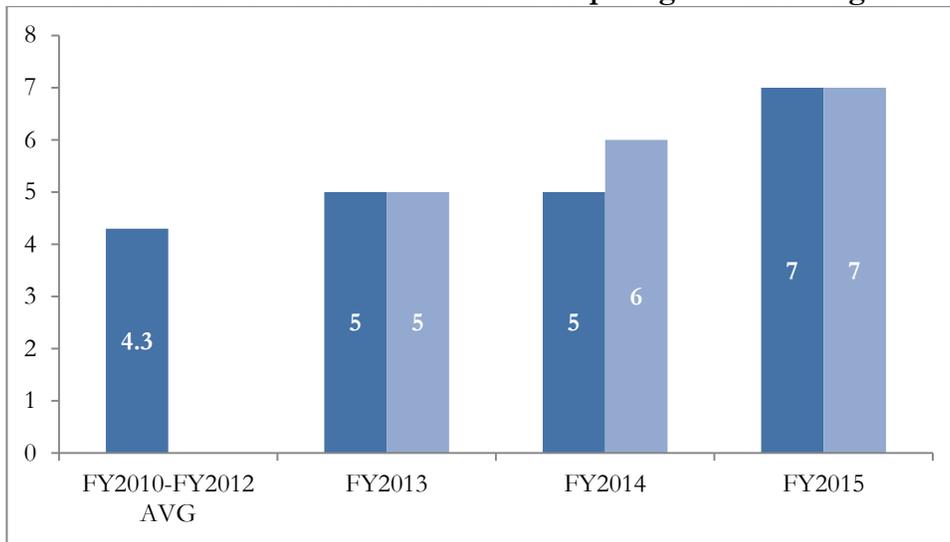
2B Target (lighter shade bar): Increase the average number of tax administrators (or regular alternates) of compact and sovereignty member states attending Executive Committee meetings each year by 1 state each year over the next 3 years to 15 on average during FY2016.

⁸ Note that California and South Dakota repealed the Multistate Tax Compact in FY2013 and became associate members; Minnesota repealed the Compact in July 2014, but became a sovereignty member. Michigan repealed the Compact in September 2014, but became a sovereignty member.

⁹ The baseline on which this target was established was based on calendar year data, which was subsequently conformed to the Commission's fiscal year calendar (see footnote 1); the conformed baseline is the same as the ultimate target number.

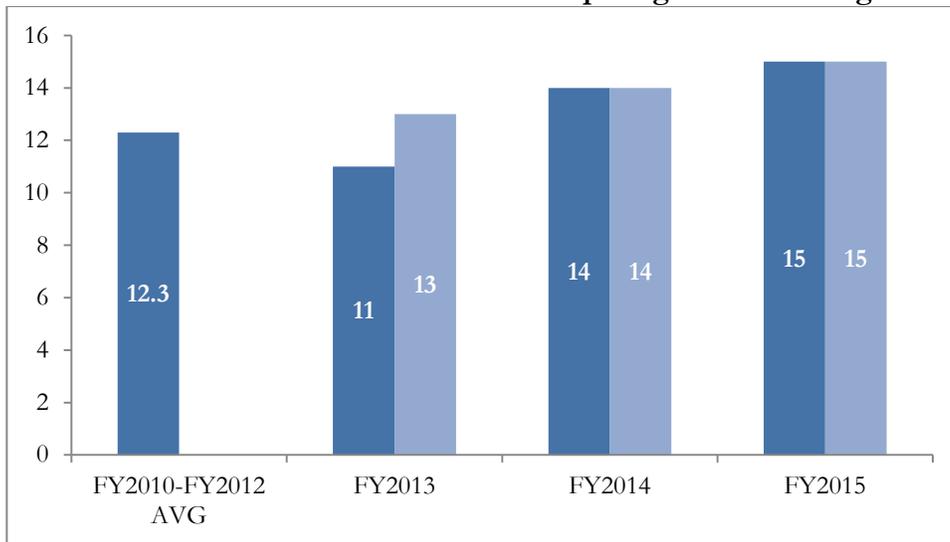
OUTCOME 3. MORE ASSOCIATE MEMBER STATES PARTICIPATING IN MTC PROGRAMS.¹⁰

3A. Number of Associate States Participating in Audit Program



3A Target (lighter shade bar): Increase the number of Associate Member states participating in the Joint Audit Program by 1 state each year over the next 3 years. FY2016 target is 7.

3B. Number of Associate States Participating in Nexus Program



3B Target (lighter shade bar): Increase the number of Associate Member states participating in the National Nexus Program by 1 state each year over the next 3 years. FY2016 target is 16.

¹⁰ Note that two states changed membership status in ways that affect these numbers: South Dakota became an associate member for FY2014, and South Carolina was an associate member in FY2010 and FY2011, was a sovereignty member for FY2012 and FY2013, then returned to being an associate member in FY2014.

OUTCOME 4. INCREASE AWARENESS AMONG THE STATES OF THE MTC AND THE VALUE OF ITS PROGRAMS.

4A. Number of days after effective date of office for contact with new tax administrators by Executive Committee liaison or executive director:

FY2014 Average: 31 days (3 letters—Michigan, Alaska, and North Dakota)

FY2015 (to date) Average: 36 days (8 letters—Utah, Alaska, Texas, Hawaii, Georgia, Minnesota, Missouri, and Michigan)

Note: Not tracked before FY2014.

4B. Timely follow up and sharing of state-specific information with newly designated or inactive top tax administrators.

State-specific information is now provided in initial contact by executive director.

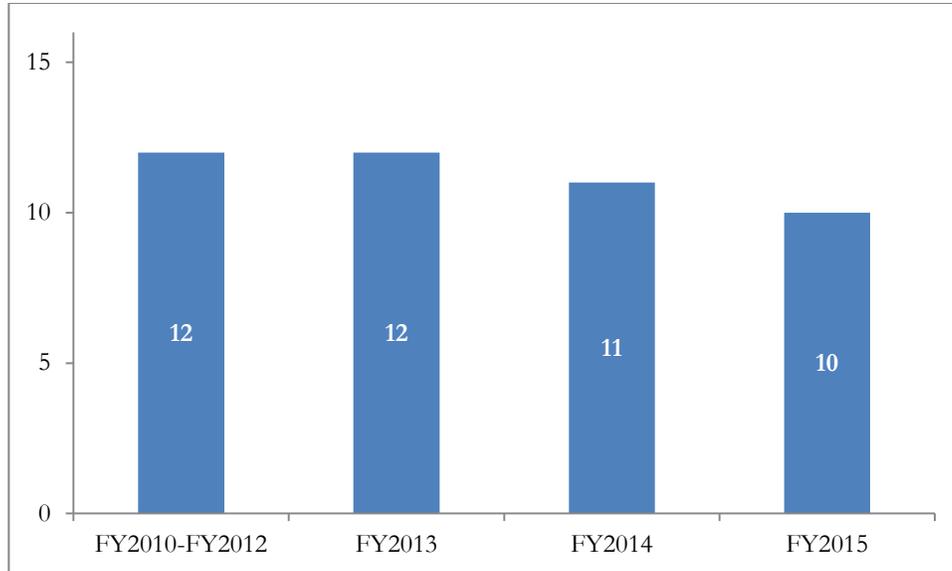
Outcome 4 Targets: Deferred.

4a. Time target (number of days after designation) for contact with new tax administrators by Executive Committee liaison or MTC Executive Director.

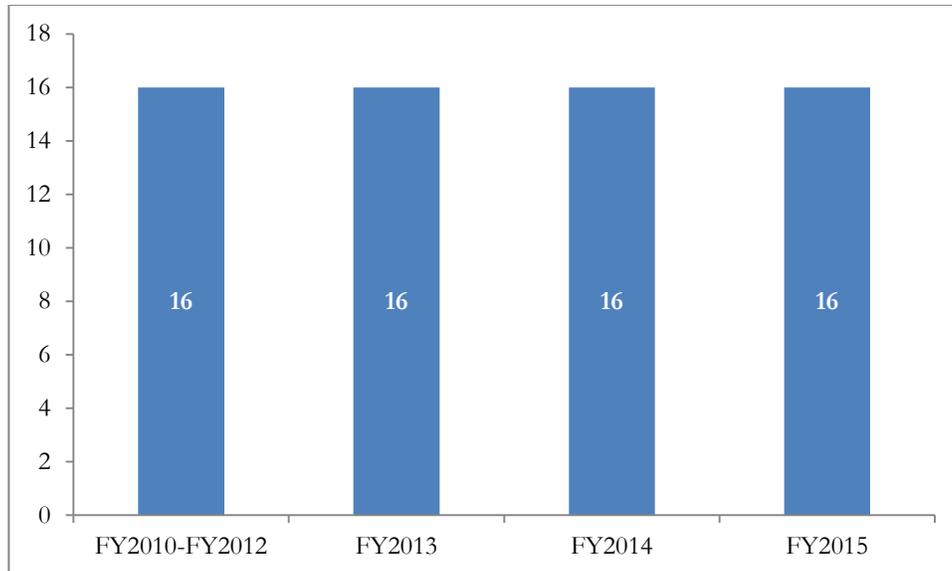
4b. Time target (number of days after designation) for sharing of state-specific data about past participation in MTC by the new tax administrator's state.

OUTCOME 5. INCREASE PARTICIPATION BY AUDIT PROGRAM STATES IN MULTISTATE AUDITS.

5A-1 Average Number of Audit Program States Participating in Sales & Use Tax Audits



5A-2 Average Number of Audit Program States Participating in Income Tax Audits



**5B-1 Average Annual Number of Sales & Use Tax Audits
Participated in by Each Program State¹¹**

STATE	FY2010- FY2012	FY2013	FY2014	FY2015
Alabama	21.7	23	14	12
Arkansas	32.7	40	30	37
Colorado	24.0	24	14	19
D.C.	29.7	27	20	21
Georgia	19.3	24	16	15
Hawaii	15.3	18	14	23
Idaho	32.3	36	25	25
Illinois*	8.0	13	7	4
Kansas	30.7	38	27	32
Kentucky	30.3	35	25	31
Louisiana	28.3	35	27	31
Massachusetts*	0.0	1	2	3
Michigan	10.7	15	12	9
Minnesota*	12.0	13	5	3
New Jersey	16.7	17	13	16
North Dakota	34.0	40	28	33
South Carolina*	5.3	11	8	5
Tennessee	10.7	15	6	13
Utah	27.3	34	26	34
Wisconsin	25.0	29	23	25
Total Audits	35.0	42	31	38

* Massachusetts joined the program in FY2013; Minnesota left the program in FY2009, rejoined in FY2013, but then left again in FY2014; South Carolina joined the program in FY2011, but left in FY2014; Illinois left the program in FY2015.

¹¹ The baseline and measure for this report was changed from “joined by” to “participated in” because that is the information that is tracked by the Joint Audit Program.

**5B-2 Average Annual Number of Income Tax Audits
Participated in by Each Program State¹²**

STATE	FY2010- FY2012	FY2013	FY2014	FY2015
Alaska	23.0	24	21	18
Alabama	15.3	16	12	14
Arkansas	25.0	25	22	20
Colorado	14.0	15	16	16
D.C.	23.3	18	14	13
Hawaii	6.7	7	6	8
Idaho	17.3	18	16	14
Illinois*	3.0	2	--	--
Iowa†				4
Kansas	18.0	19	18	16
Kentucky	23.7	23	20	18
Massachusetts*	0.0	1	1	3
Michigan	10.3	4	3	3
Minnesota*	4.3	4	4	1
Missouri	9.7	14	15	10
Montana	20.0	21	18	17
Nebraska	25.0	23	20	18
New Jersey	7.3	5	6	6
New Mexico	24.7	24	21	20
North Dakota	21.3	23	20	18
Oregon	23.0	22	19	16
Pennsylvania†				4
Rhode Island†				3
South Carolina*	2.0	7	1	4
Tennessee	7.7	14	13	11
Utah	24.3	25	22	20
West Virginia	24.3	24	21	19
Wisconsin	20.3	21	18	14
Total Audits	25.0	25	22	20

* Massachusetts joined the program in FY2013; Minnesota left the program in FY2009, rejoined in FY2013, but then left again in FY2014; South Carolina joined the program in FY2011, but left in FY2014; Illinois left the program in FY2015.

† Iowa, Pennsylvania, and Rhode Island joined the program for income tax in FY2015.

Outcome 5 Targets: Deferred.

5. Increase over baselines of (raw number or a percent) by (date).

¹² The baseline and measure for this report was changed from “joined by” to “participated in” because that is the information that is tracked by the Joint Audit Program.