



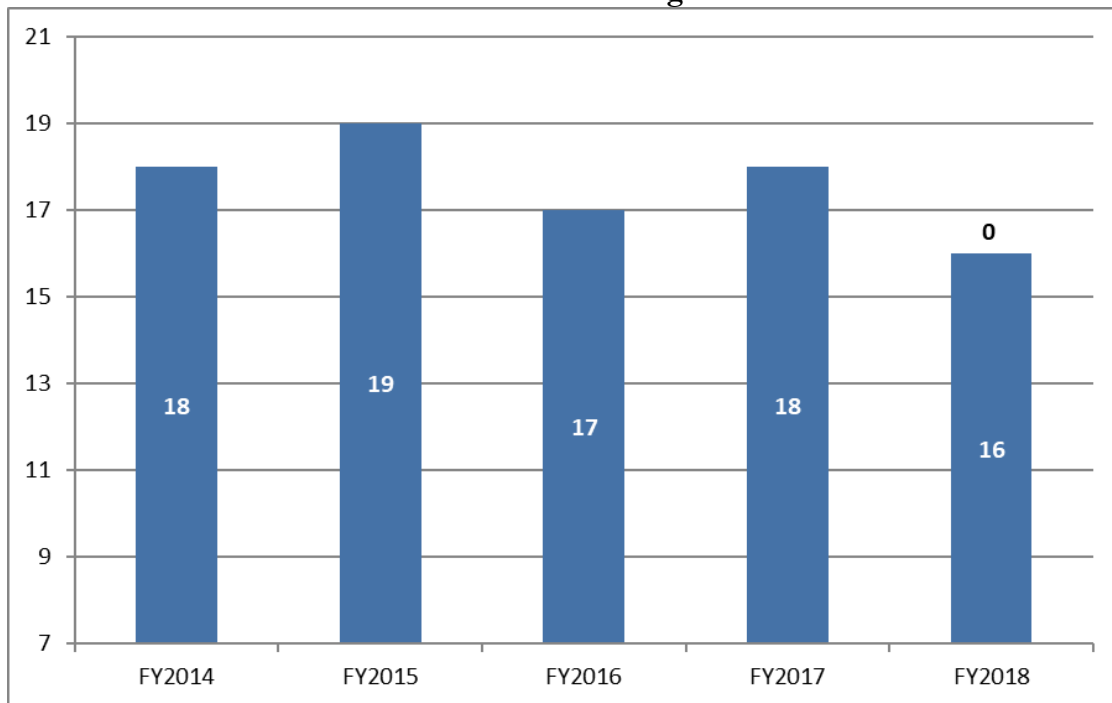
MULTISTATE TAX COMMISSION

To: Strategic Planning Steering Committee
From: Gregory S. Matson
Date: July 24, 2018
Subject: Performance Measures & Data for Engagement Goal Project

OUTCOME MEASURES

OUTCOME 1. MORE COMPACT AND SOVEREIGNTY STATE PARTICIPATION IN COMMISSION ACTIVITIES.¹

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

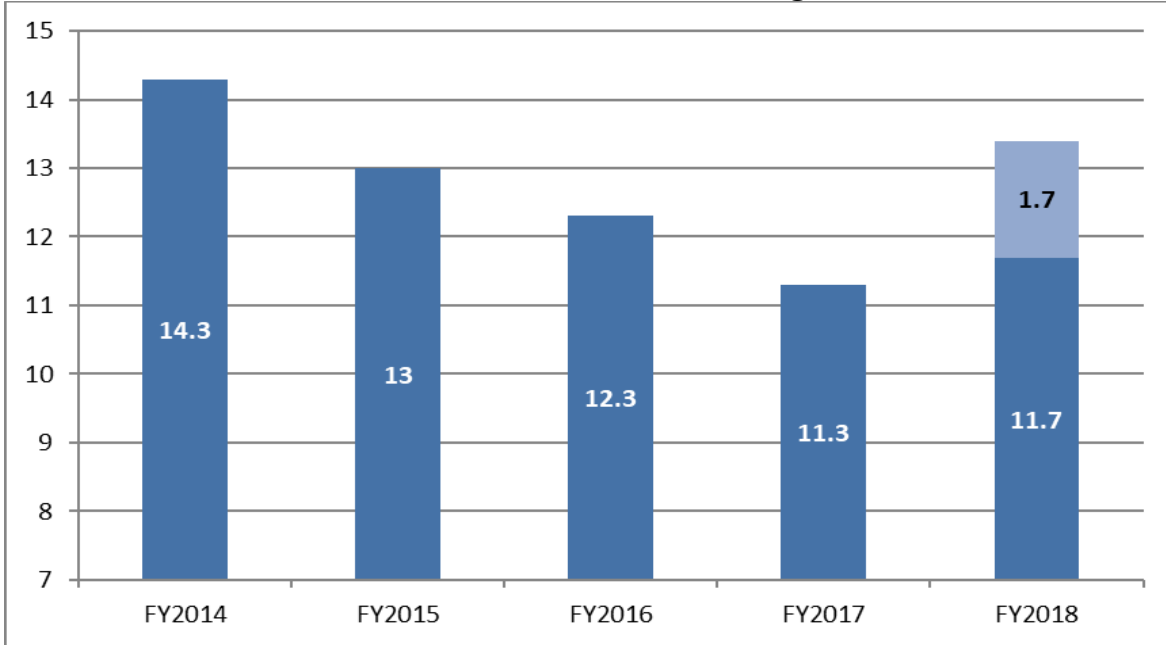


1A Target: The baseline was 16 and the target is currently 19. Increase in-person attendance by compact and sovereignty member states at the Annual Meeting by 10% each year, to reach 90% of the compact and sovereignty member states represented in person at the 2016 Annual Meeting (currently 22).²

¹ In determining Outcome 1 numbers, attendance lists in published minutes served as the primary source record, unless otherwise indicated. For FY2018 forward, the committee decided that states not otherwise represented in person but on the phone should be indicated (providing a better picture of state participation).

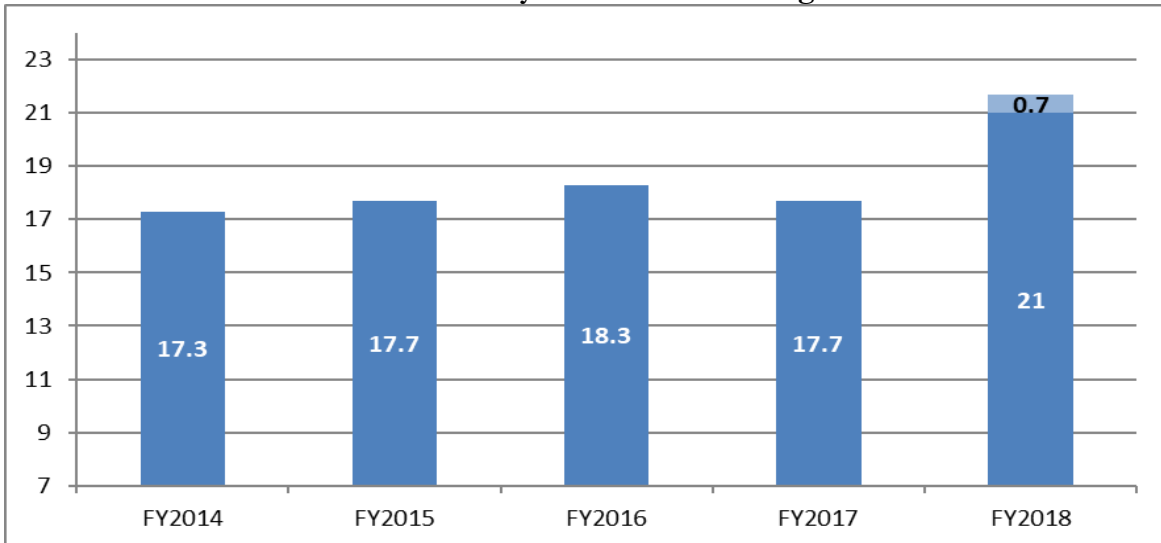
² This target is based on the current number of compact and sovereignty states and can change.

**1B. Average Attendance by Compact & Sovereignty States
at Executive Committee Meetings**



1B Target: (lighter shade bar): Increase average 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. The baseline was 12.

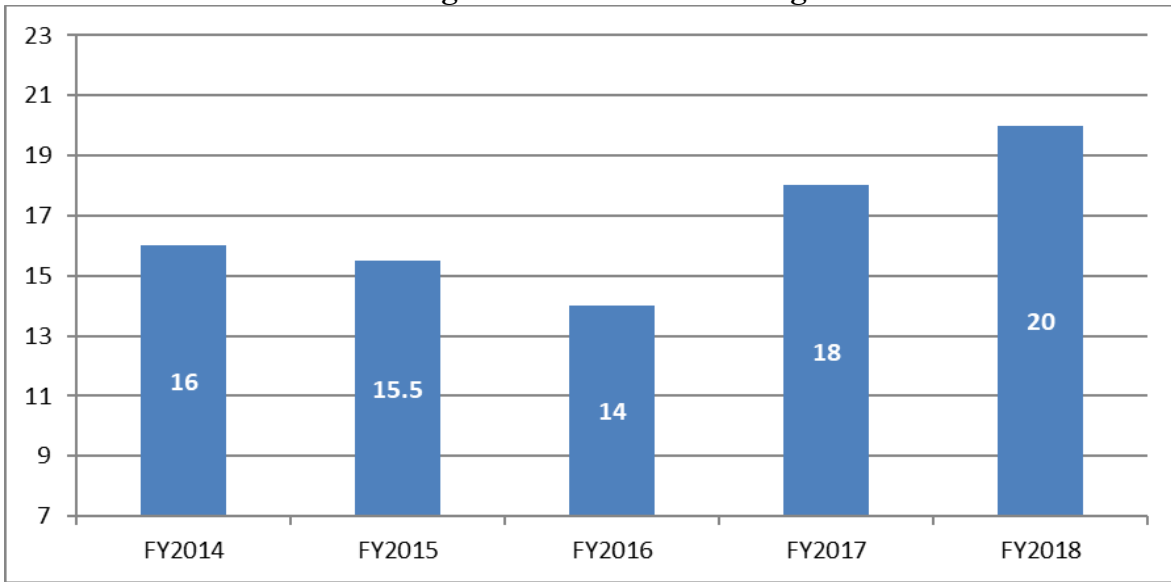
**1C-1³ Average Attendance by All States
in Uniformity Committee Meetings**



1C-2 Average Attendance by All States

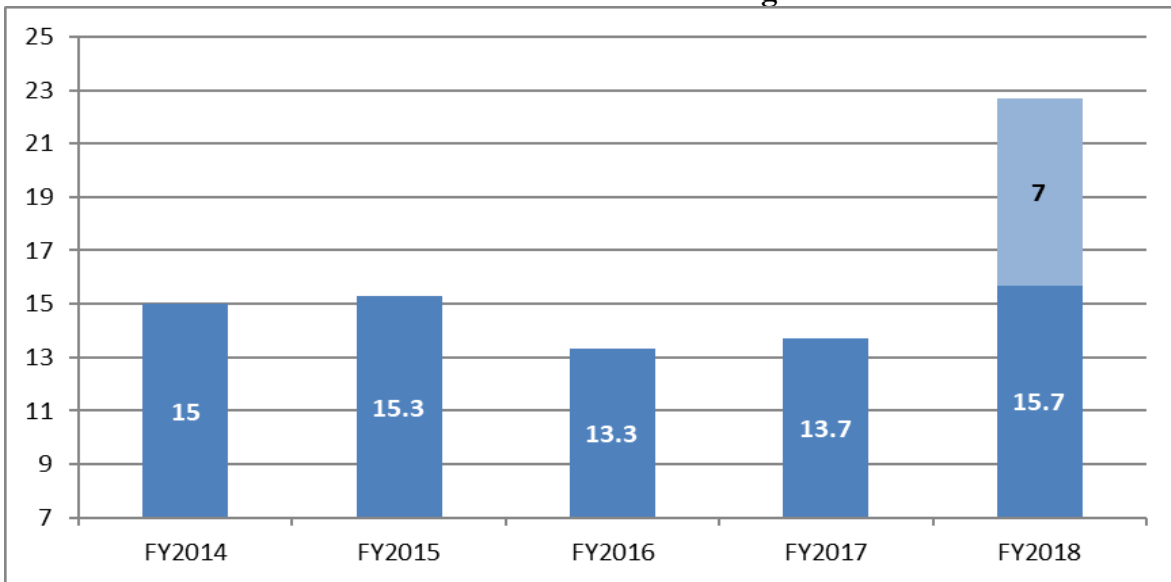
³ Throughout this report, separate conjunctive baselines and measures, e.g., "...in Uniformity and Litigation committee meetings ..." use "-1" and "-2" to distinguish them.

in Litigation Committee Meetings

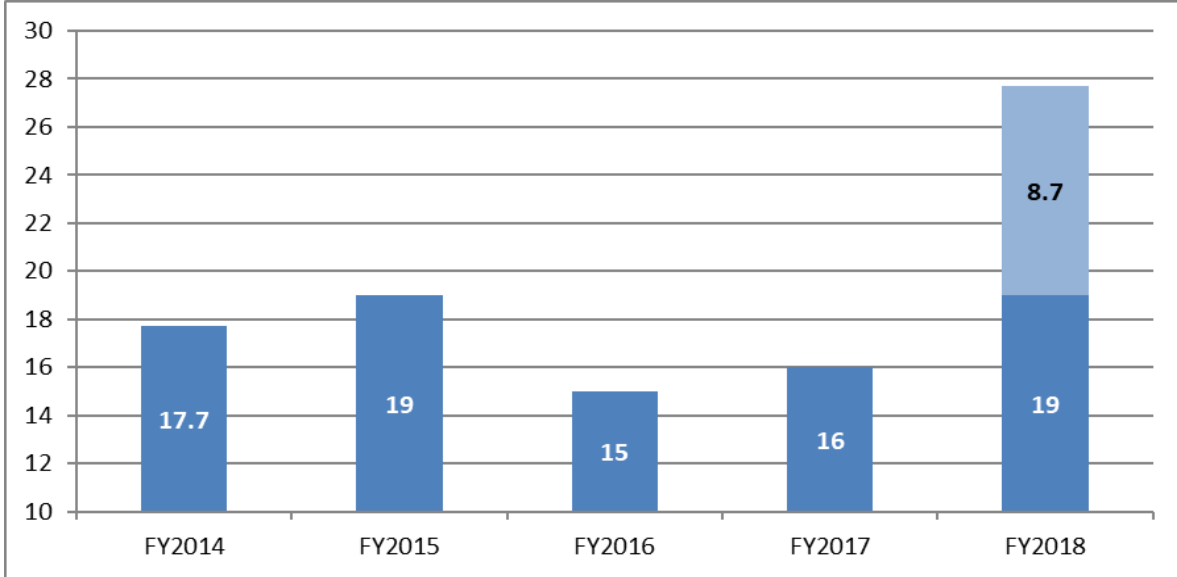


1C Target: Deferred.

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



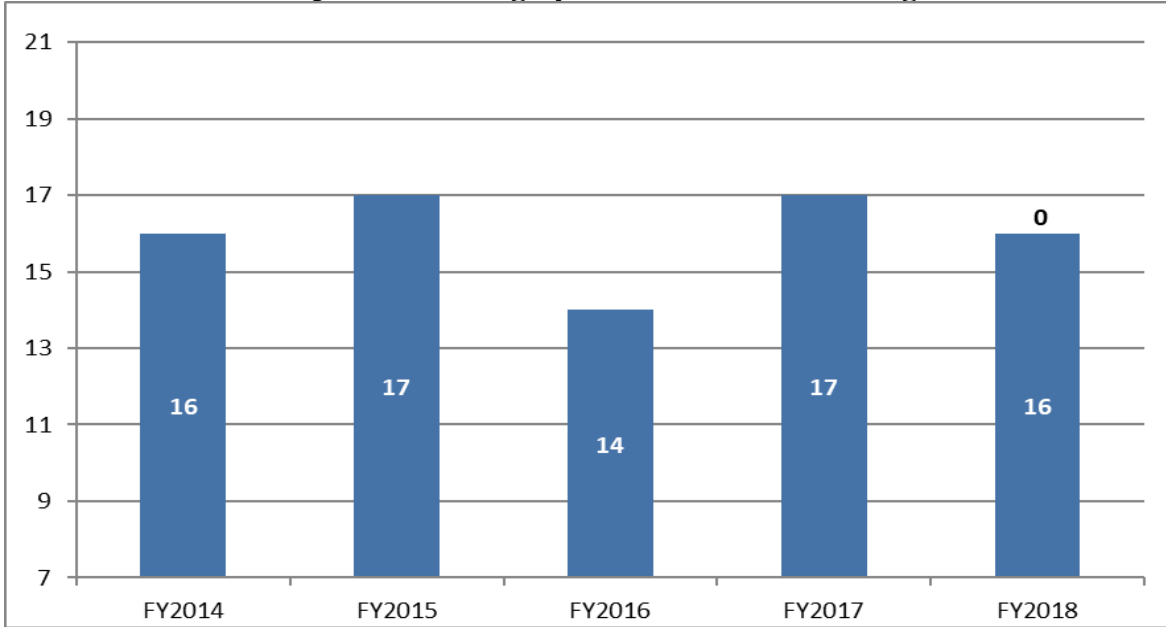
**1D-2 Average In-Person Attendance by Program States
in Nexus Committee Meetings**



1D Target: Deferred.

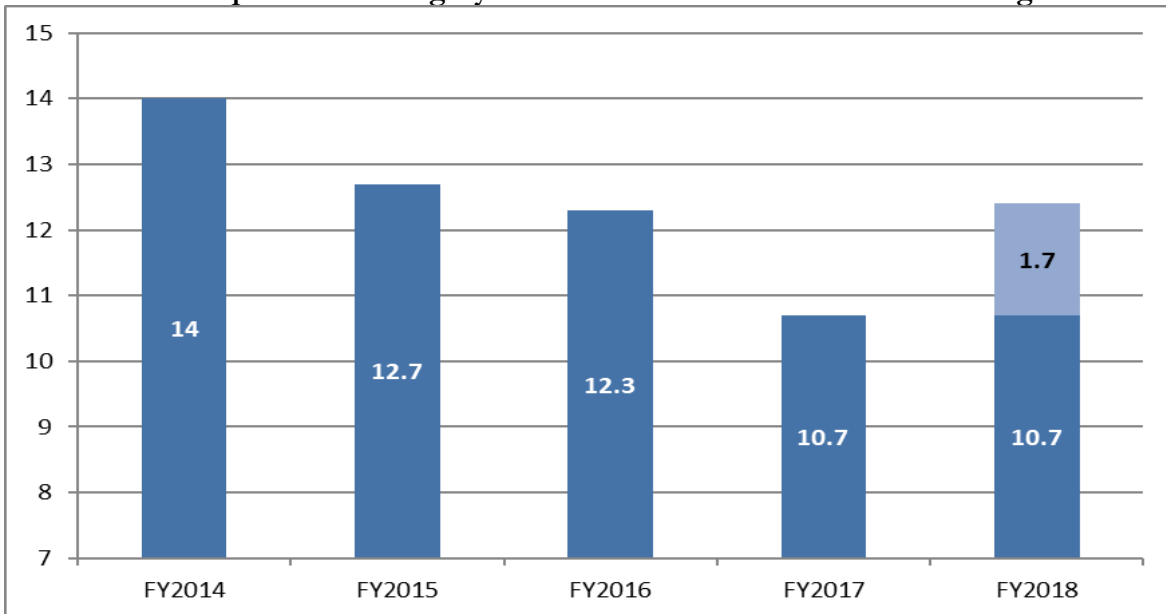
**OUTCOME 2. MORE TOP TAX ADMINISTRATORS (OR REGULAR ALTERNATES)
PARTICIPATING IN COMMISSION ACTIVITIES.**

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



2A Target: 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. Baseline was 12

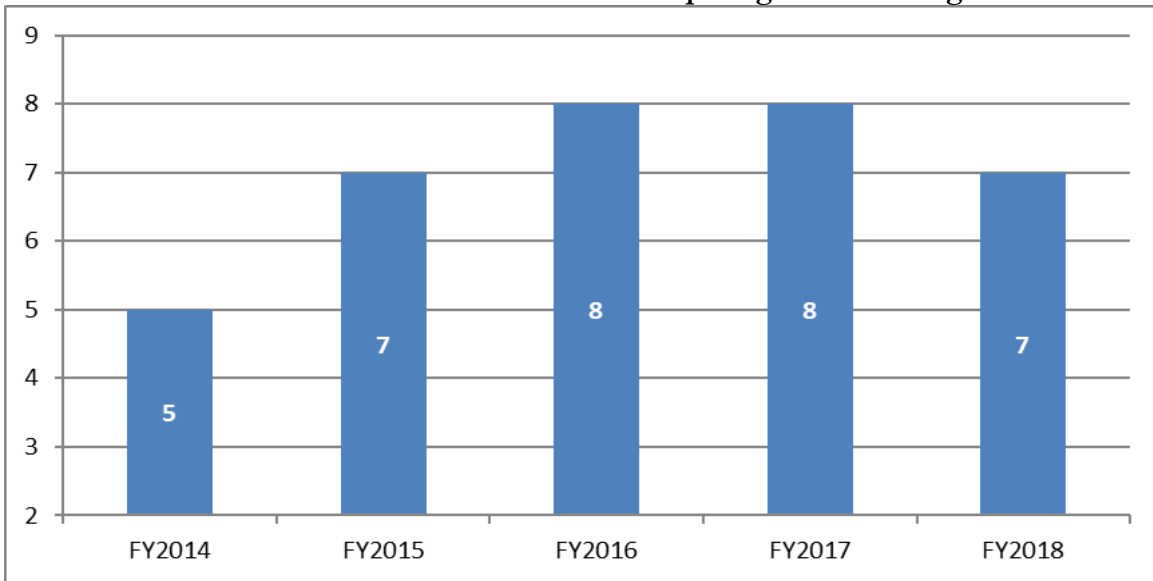
**2B. Average Personal Participation by Top Tax Administrators or Regular Alternates
of Compact & Sovereignty States at Executive Committee Meetings**



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. Baseline was 10.

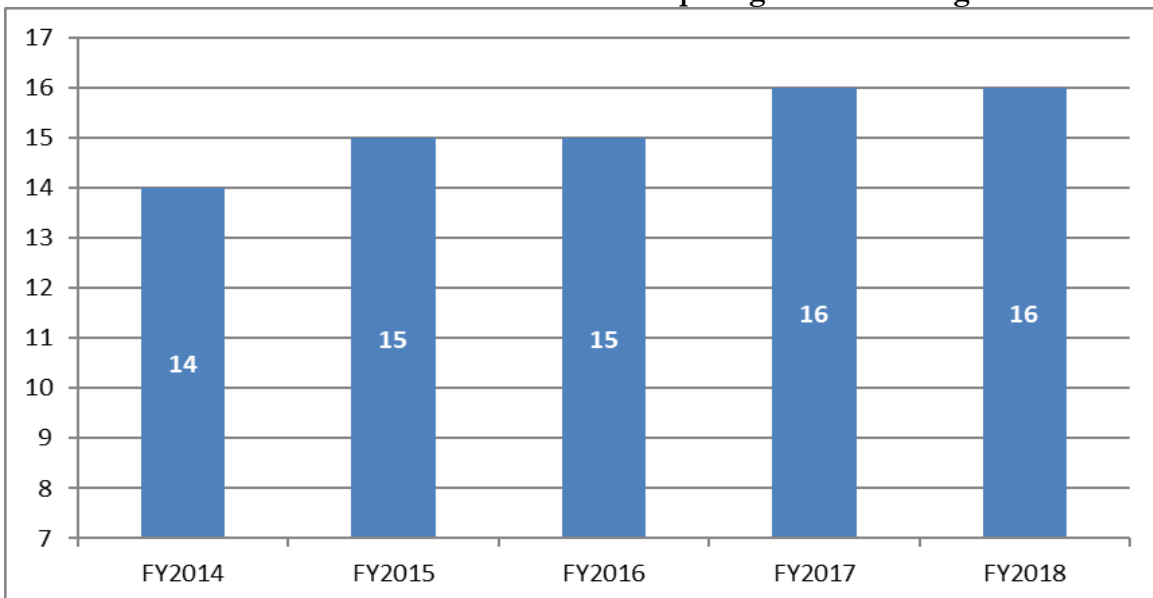
OUTCOME 3. MORE ASSOCIATE MEMBER STATES PARTICIPATING IN MTC PROGRAMS.

3A. Number of Associate States Participating in Audit Program



3A Target: The baseline was 4, and the target is 7, achieved in FY2015 (Increase the number of Associate Member states participating in the Joint Audit Program by 1 state each year over the next 3 years). NOTE: Rhode Island became a sovereignty member, so this chart does not reflect them as an audit program member – the number of states in the audit program has not declined.

3B. Number of Associate States Participating in Nexus Program



3B Target: The baseline was 12, and the target is 15, achieved in FY2015 (Increase the number of Associate Member states participating in the National Nexus Program by 1 state each year over the next 3 years.) NOTE: Rhode Island joined and became a sovereignty member at the same time, so this chart does not reflect them as an additional state.

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

4. Timely contact by assigned Executive Committee liaison/MTC Executive Director with newly designated or inactive top tax administrators in compact, sovereignty, and associate member states, including sharing of state-specific information with newly designated or inactive top tax administrators.

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

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

FY2016 Average: 57 days (11 letters—Washington, Arizona, New Jersey, Kentucky, Louisiana, Nebraska, North Carolina, Florida, Massachusetts, California, Mississippi)

FY2017 Average: 68 days (14 letters—Oregon, D.C., Vermont, Missouri, Arkansas, Kansas, West Virginia, Tennessee, Indiana, Rhode Island, Delaware, South Carolina, Alabama, North Carolina).

FY2018: No calculated average; I am supplying this report with respect to increasing awareness among the states—

In addition to attending the state regional conferences (SEATA, NESTOA, and WSATA (MSATA was attended by the deputy executive director), I participated in the FTA's New Commissioners Networking session in Washington, D.C. on October 17. While there, I met Delaware's new director of revenue, Jennifer Hudson. On October 27, I met with Michigan State Treasurer Nick Khouri and Glenn White in Lansing. While at the New England SALT Forum (for which I serve on the advisory board), I met the new commissioner in New Hampshire, Lindsay Stepp. I congratulated Gene Walborn on becoming Montana's new director of revenue via email (Gene being a longtime contributor and participant with the MTC). I communicated with new Colorado DOR executive director, Michael Hartman, through our amicus brief process.

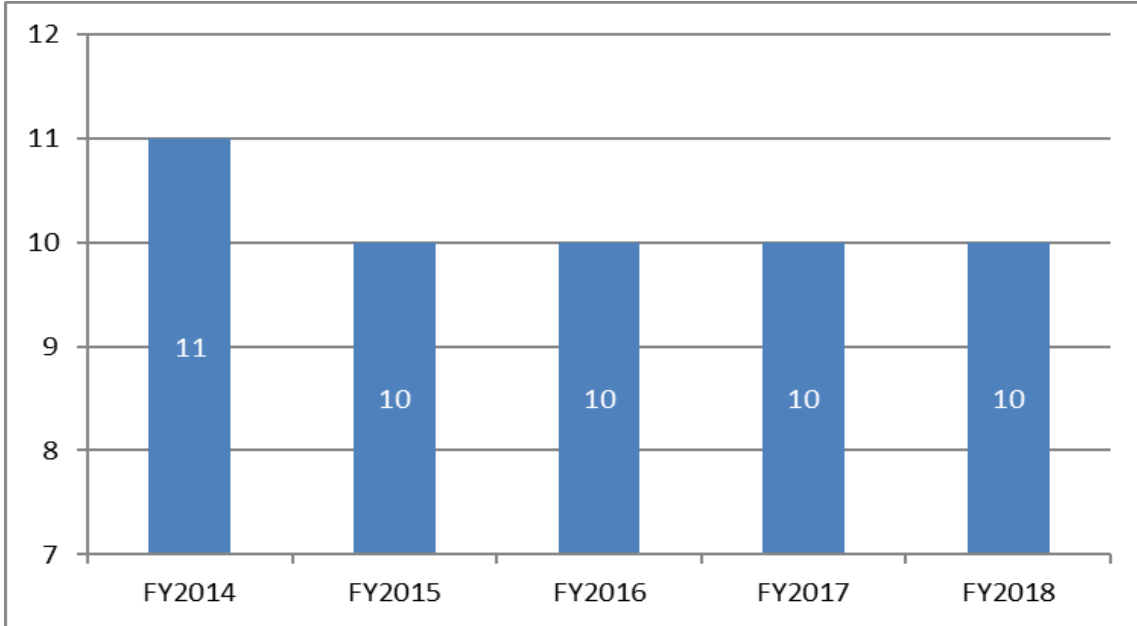
And at the beginning of June, I sent a personal letter to all compact and sovereignty state tax administrators inviting them to our annual meeting in Boston, July 23-26.

Outcome 4 Targets:

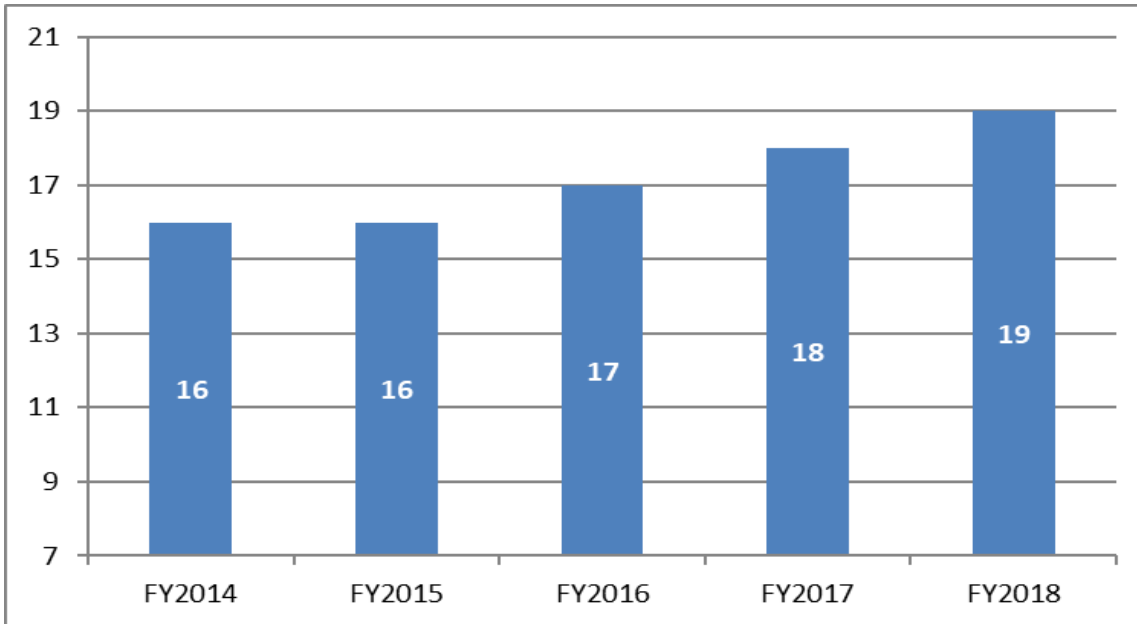
4. Time target (number of days after designation) for contact with new tax administrators, including sharing of state-specific data about participation in MTC by the new tax administrator's state, by Executive Committee liaison or MTC Executive Director.

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 State**

STATE	FY2014	FY2015	FY2016	FY2017	FY2018
AL	14	12	20	20	17
AR	30	37	43	33	26
CO	14	19	28	26	24
DC	20	21	32	26	24
GA	16	15	20	18	17
HI	14	23	29	27	19
ID	25	25	32	27	25
IL	7	4	1	0	0
KS	27	32	43	37	30
KY	25	31	39	33	27
LA	27	31	42	33	26
MA	2	3	1	1	0
MI	12	9	5	3	2
MN	5	3	1	0	0
NJ	13	16	19	17	14
ND	28	33	37	31	26
SC	8	5	3	1	1
TN	6	13	19	20	17
UT	26	34	38	31	23
WI	23	25	30	22	16
Total Audits	31	38	47	40	33

* 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.

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

STATE	FY2014	FY2015	FY2016	FY2017	FY2018
AK	21	18	19	21	20
AL	12	14	18	21	20
AR	22	20	20	22	22
CO	16	16	15	17	14
DC	14	13	17	20	19
DE	0	0	4	8	10
HI	6	8	8	7	10
ID	16	14	16	14	18
IL	0	0	0	0	0
IA	0	4	9	14	15
KS	18	16	17	18	19
KY	20	18	19	19	19
MA	1	3	3	3	2
MI	3	3	2	1	1
MN	4	1	1	0	0
MO	15	10	10	10	11
MT	18	17	18	21	21
NE	20	18	19	20	20
NH	0	0	2	5	9
NJ	6	6	7	9	12
NM	21	20	21	23	22
ND	20	18	20	23	23
PA	0	4	8	13	14
RI	0	3	7	13	12
OR	19	16	18	17	17
SC	1	4	2	1	1
TN	13	11	13	17	18
UT	22	20	21	22	22
WV	21	19	19	21	21
WI	18	14	13	12	15
Total Audits	22	20	21	23	23

* Massachusetts joined the program in FY2013 but left the program for FY2016; 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.

°Delaware and New Hampshire joined the program for income tax FY2016.

Outcome 5 Targets: Deferred.

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