

**COMMUNICATION PLAN**

**MTC STRATEGIC PLANNING STEERING COMMITTEE**

**2015**

***Strategic Projects***

***and***

***Institutionalizing Strategic Planning***

V 8.1 December 1, 2014

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## **KEY MESSAGES FOR 2015:**

### ***What are we doing now?***

- We have completed four projects to help us achieve our goals, one related to our engagement goal, one related to our uniformity goal and two related to our compliance goal.
- We are continuing to integrate strategic planning practices into our regular business activities.
- The Steering Committee chartered the following projects for 2014-15:
  - Nexus: increase membership in National Nexus Program
  - Nexus: streamline multistate voluntary disclosure process

### ***What is a strategic plan and what does it mean for the MTC?***

- A strategic plan is a tool for setting priorities and focusing the efforts and resources of an organization to achieve its primary purpose.
- Our plan sets the MTC's direction for the next 5-7 years.
- The strategic plan establishes specific goals and objectives to help the MTC achieve its primary purpose.
- The strategic plan also gives us a process to establish and update our priorities for investing our time and resources.

### ***What have we accomplished so far?***

- The Commission has adopted the key building blocks of our strategic plan:
  - Mission – a statement of the core purpose for the MTC
  - Values – the key principles that drive the MTC's actions
  - Vision – the high level direction for the MTC over the next 5-7 years
  - Goal areas – the key areas in which we need to focus in order to achieve our vision
  - Steering Committee – formally chartered to guide and implement strategic planning for the MTC
- The Steering Committee has adopted a planning calendar to integrate planning into our regular business activities.
- The Steering Committee initiated a project to increase state and top tax administrator engagement in MTC activities (2012). That project has been completed and the new program has been integrated into the regular operations of the Commission.
- The Steering Committee chartered two teams to work on projects related to the multistate audit program. Those work teams completed their work and the new audit nomination process and early audit closure procedure were implemented in 2013.
- The Steering Committee has approved a project to identify barriers to adoption of uniformity recommendations. That project was completed in May 2014.

- The Steering Committee has chartered two additional projects proposed by the Nexus Committee.

#### ***What will happen next?***

- The Steering Committee will evaluate the effectiveness of projects completed in the past.
- The Steering Committee will develop additional strategies to integrate strategic planning practices into the business operations of the MTC.
- The Steering Committee will monitor the projects that are currently underway.
- The Steering Committee will establish priorities for projects to be commenced in the future.
- MTC Committees will develop project proposals for the Steering Committee to review and charter.

#### ***Who is managing this process?***

- The Steering Committee provides high level oversight and leadership for the planning process. Steering Committee members are: Nancy Prosser (Steering Committee chair), Julie Magee (MTC Chair), Demesia Padilla (MTC Vice Chair), Rich Jackson (MTC Treasurer), Gary Humphrey and Joe Huddleston.
- There is also a facilitator-Elizabeth Harchenko. The facilitator guides the process and assists the steering committee in overseeing the planning process.

#### **2015 time line:**

##### **March 2015 – Spring Committee meetings**

- Update environmental scan for program areas with committees
- Deadline for proposals for submission of project proposals to be commenced in next fiscal year

##### **April 2015 - Steering Committee teleconference:**

- Approve priority projects for next fiscal year
- Identify staffing and financial resources needed for priority projects
- Review progress for projects currently underway

##### **May 2015 –Executive Committee meeting**

##### **Steering Committee meeting (in person):**

- Review performance measures for completed and implemented projects
- Steering Committee report to Executive Committee about projects selected for next fiscal year
- Discuss Steering Committee membership and leadership for next fiscal year
- Review performance data from projects completed and implemented in prior years (when applicable)

**KEY COMMUNICATORS:** MTC Chair; Steering Committee chair; Steering Committee members

Steering Committee members:

Nancy Prosser, Assistant Director of Tax Administration, Texas Comptroller of Public Accounts, [nancy.prosser@cpa.state.tx.us](mailto:nancy.prosser@cpa.state.tx.us)

Julie Magee, Commissioner, Alabama Department of Revenue, [Julie.magee@revenue.alabama.gov](mailto:Julie.magee@revenue.alabama.gov)

Demesia Padilla, Secretary, New Mexico Department of Taxation and Revenue, [demesia.padilla1@state.nm.us](mailto:demesia.padilla1@state.nm.us)

Rich Jackson, Chair, Idaho Tax Commission, [rich.jackson@tax.idaho.gov](mailto:rich.jackson@tax.idaho.gov)

Gary Humphrey, Corporation Section Manager, Oregon Department of Revenue, [gary.d.humphrey@dor.state.or.us](mailto:gary.d.humphrey@dor.state.or.us)

Joe Huddleston, Executive Director, Multistate Tax Commission, [jhuddleston@mtc.gov](mailto:jhuddleston@mtc.gov)

Consultant: Elizabeth Harchenko, [esharchenko11@gmail.com](mailto:esharchenko11@gmail.com)

**COMMUNICATION OPPORTUNITIES:**

Web sites: MTC; FTA TaxExPRESS; trade associations; taxpayer associations

MTC Annual Meeting; committee meetings; Executive Committee session; Commission session

Regularly scheduled updates for the states; committee teleconferences; electronic communications

Stakeholder meetings; presentations or speeches

**KEY AUDIENCES:** State tax administrators; State staff; MTC staff

Stakeholders – taxpayer groups; taxpayer representatives; other government associations

Business partners – FTA, IRS, other organizations that share operational goals or functions or that collaborate with MTC to achieve operational goals.

State tax press

## **Appendices**

### **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.

Multistate Tax Commission  
Strategic Planning Steering Committee  
Charter  
(Approved December 12, 2013)

I. Purpose of the Steering Committee

The primary function of the Strategic Planning Steering Committee is to oversee the Multistate Tax Commission (MTC) Strategic Planning and Implementation processes. The Steering Committee will provide insight on long-term strategies to achieve the mission and vision of the MTC. Members of the Steering Committee ensure that the MTC's strategic objectives are being addressed and that projects chartered by the Steering Committee are completed. These responsibilities are carried out through the following functions:

- Develop the statements of mission, vision, values and goals for the MTC.
- Conduct periodic environmental scans to assess internal and external opportunities and challenges that affect the MTC's ability to perform its mission and achieve its long-term vision and goals.
- Charter strategic planning and implementation projects that will help the MTC achieve its long-term vision and goals by improving its process and business practices.
- Monitor progress of projects that are underway.
- Formally accept and approve project deliverables.
- Monitor performance and ongoing effectiveness of completed project deliverables.
- Provide leadership within the MTC to advocate for the use and institutionalization of strategic planning disciplines within the operations of the MTC.

II. Committee Membership

The Steering Committee consists of the following members, at a minimum:

- The officers of the MTC (chair, vice chair and treasurer),
- Immediate past commission chair, and
- The Executive Director of the MTC.

The Steering Committee may include other past commission chairs, or other members of the Commission, including sovereignty members, as determined by the Executive Committee of the MTC. The chair of the Steering Committee should be a past commission chair, if possible. Otherwise, the chair should be a tax administrator who is committed to strategic planning as a business practice.

Each year, in conjunction with the Annual Meeting of the MTC, the Steering Committee will affirm its membership and designate a chair.

### III. Role of a Steering Committee member

It is intended that the Steering Committee guide the strategic planning process for the MTC, and oversee implementation of planning practices in the MTC's regular operations. Steering Committee members are not directly responsible for managing project activities, but provide support and guidance for those who do. Steering Committee members should:

- Be genuinely interested in strategic planning and be an advocate for broad support of the vision and goals of the MTC.
- Understand the strategic implications of the political, financial and administrative environmental factors that affect the MTC's performance of its mission.
- Appreciate the significance of the MTC's strategic goals to the states, taxpayers and the public and consider their interests in planning the business of the MTC.

In practice, this means that Steering Committee members:

- Review the status of projects underway.
- Establish priorities for projects in consideration of personnel and financial resource constraints.
- Provide guidance and feedback to project teams.
- Monitor the effectiveness of completed projects and recommend adjustments when necessary.
- Report on project progress to the MTC Executive Committee.
- Communicate with the states, taxpayers and the public about the MTC's strategic planning efforts.

### IV. Steering Committee meetings

The Steering Committee will meet at least three times a year in conjunction with meetings of the MTC Executive Committee. The Steering Committee may also meet at the call of the chair. Meetings of the Steering Committee are subject to the MTC Public Participation Policy. Steering Committee meetings may be held in person or telephonically. A majority of the membership constitutes a quorum.

Charter approved by the MTC Executive Committee on December 12, 2013.

## MTC Annual Strategic Planning Calendar

(Adopted 12-11-2013)

### July – Annual Meeting

Steering Committee meeting (in person):

- Receive and approve reports from project team(s) for project(s) newly completed
- Update Communications Plan to reflect prior year's accomplishments and ensuing year activities.
- Identify leaders – Steering Committee chair; outreach project chair; steering committee members
- Steering Committee reports to Executive Committee and Commission about strategic planning activities and accomplishments from the preceding year.
- "Kick-off" for project(s) approved for the upcoming fiscal year.

### December –Executive Committee meeting

Steering Committee meeting (in person):

- Update high level environmental scan – engage Executive Committee in scan
- Review MVVG – any adjustments to goal areas?
- Review progress for project(s) currently underway
- Identify goal area(s) for priority focus in next fiscal year
- Notify staff and committees of priority focus area(s), solicit project proposals (deadline late March)

### March – Spring Committee meetings

- Update environmental scan for program areas with committees [need to identify which program areas – audit, uniformity, nexus, litigation]
- Deadline for proposals for submission of project proposals to be commenced in next fiscal year; proposals should include estimate of staff and financial resources needed (late March)

### April - Steering Committee teleconference:

- Consider strategic planning and implementation project proposals designed to improve MTC processes and business procedures and approve priority projects for next fiscal year
- Identify staffing and financial resources needed for priority projects
- Review progress for projects currently underway

### May –Executive Committee meeting

Steering Committee meeting (in person):

- Review performance measures for implemented projects – any adjustments needed?
- Steering Committee report to Executive Committee about projects selected for next fiscal year
- Discuss Steering Committee membership and leadership for next fiscal year
- Review performance data from projects completed in prior years (when applicable)

## Project Descriptions

### **Project description: Increase Membership in National Nexus Program** (chartered July 2014)

The purpose of this project is to identify the barriers to state membership in the National Nexus Program and propose solutions to remove those barriers. The project will also identify the program characteristics that attract states to become members.

### **Project description: Streamline Multistate Voluntary Disclosure Program** (chartered July 2014 to begin January 2015)

The purpose of this project is to identify opportunities to streamline the MTC Multistate Voluntary Disclosure Program to make it more efficient and effective. The project will involve review of the current process from the perspective of the states, taxpayers and the MTC National Nexus Program staff.

### **Project description: "Single Audits" for Remote Sellers under Marketplace Fairness Act** (chartered March 2014; placed on "hold" June 2014)

This project will develop a high level plan for the MTC to conduct "single audits" on behalf of states in compliance with the Marketplace Fairness Act, should it be enacted. The plan will include the potential for conducting single audits of remote sellers on behalf of all states collectively, as well as the potential for conducting single audits on behalf of a single state and its subdivisions.

### **Project description: Barriers to Adoption of Uniformity Recommendations** (completed May 2014)

This project reviewed data on adoption of uniformity recommendations, identified the barriers to adoption of those recommendations by the states, and identified possible solutions to those barriers.

### **Project description: Early Audit Closure** (completed July 2013)

This project developed a process and standards for an MTC auditor to determine that there is no potential for a material audit adjustment for a state or states after commencement of an audit, but before the development of a complete audit report and without the need to prepare full audit schedules. The determination would close the audit process for the affected state tax returns. The new procedure was implemented during 2013-14.

### **Project description: Audit Nominating Process Review** (completed May 2013)

This project involved a comprehensive review of the process for nominating audit candidates. The modified process will take less time to complete and produce higher quality audit nominations. It reduced the work that the states and MTC staff need to do in order to complete the nomination process. The modified process was implemented during 2013-14.

### **Project description: Commissioner Outreach & Education Project** (completed April 2012)

This project developed and implemented a formal program that the MTC uses to reach out to new tax administrators. These activities are integrated into the annual calendar of events. They are designed to provide key information about the MTC and the state's involvement in MTC promptly, and to initiate and sustain contact between the MTC and the states.

###