

DATE: September 19, 2015  
TO: MTC Strategic Planning Steering Committee  
FROM: Elizabeth Harchenko  
SUBJECT: Summary of discussion in Spokane (7-28-15) and follow up

In Spokane, we talked about the Vision for the MTC:

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

You discussed in detail what qualities the Commission should demonstrate in order to meet each of the elements of the vision statement. This memo summarizes that discussion. At the end, I have outlined the next steps in the discussion and evaluation of the progress the Commission has made toward achieving its vision.

Please refer to the Communications Plan for the full statement of Mission, Vision, Values and Goals.

### **GOLD STANDARD for tax policy development**

When the MTC has achieved this element of the vision, the following will be true:

- The Commission will have an efficient, transparent, open process for tax policy development and for formulating uniformity recommendations
- The Commission will have broad and deep expertise in substantive tax policy
- The Commission’s tax policy development process will strike an appropriate balance between good policy substance and ease of administration for the states and ease of compliance for taxpayers
- The Commission’s tax policy product will reflect the best quality tax policy even if it isn’t the most popular outcome
- The Commission’s process will take the “long view” in developing tax policy – demonstrating durability of uniformity proposals over time
- The Commissions will be recognized as the authority on tax policy (Vision part 2)
- States will take the pieces of Commission work product they need as, and when, they need them
- There will be more consistency among the states – they will be moving in the same general direction
- **\*\* Challenge\*\*** - a threat to achieving the vision is turnover of state tax staff due to retirement of long-term employees; the employees of tomorrow will need to be reached differently in order to enable the Commission to continue to perform at the currently quality level

## **PUBLIC RECOGNITION as the primary authority on issues of state and local tax uniformity and fairness**

When the MTC has achieved this element of the vision, the following will be true:

- The Commission will have a recognized public face
- The Commission will have staff who are nationally recognized for their expertise and sought after for help
- The Commission will regularly be the subject of press attention and media presence
- The Commission will be sought after for regular participation in national conferences
- The Commission will be the subject of taxpayer attention
- **\*\*Opportunity\*\*** - Legislative and executive branches of the states and the federal government will recognize the Commission as a reliable and capable resource – this is an area where work is needed to develop these relationships

## **LEADER IN ASSURING EQUITABLE TAX COMPLIANCE**

When the MTC has achieved this element of the vision, the following will be true:

- **\*\*The Commission will bolster and backstop the states' compliance efforts (this involves Uniformity as well as Audit support)**
- **\*\*The Commission will have models for what good tax compliance looks like, and those models will have durability ("shelf life") over time**
- The Commission will identify emerging compliance issues
- **\*\*The Commission will promote consistency to achieve full compliance as well as fairness to taxpayers (also involves Uniformity, as well as Audit practices)**

(\*\* Steering Committee flagged these areas as not yet realized.)

### **Continuing Discussion**

Based on the discussion in Spokane, your tentative conclusion is that the qualities described for both Gold Standard and Public Recognition have largely been met. Leadership in Equitable Tax Compliance appears to be the Vision element that needs the most work over the next few years. Here are the questions that we were going to discuss in Spokane when we ran out of time.

1. What work needs to be done to continue to make progress on our goal to improve the national image and reputation of the commission, so that we will be recognized as a leader in assuring equitable tax compliance?
2. Who should be doing the necessary image and reputation work?
3. What work needs to be done to continue to make progress on our goal to increase the level of institutional knowledge within the states about the MTC, so that we will be recognized as a leader in assuring equitable tax compliance?

4. Who should be doing the state engagement work?
5. What work needs to be done to continue to make progress on our goal to increase uniformity in tax policy and administrative practices among the states, so that we will be recognized as a leader in assuring equitable tax compliance?
6. Who should be doing the uniformity work?
7. What specific work needs to be done to develop strategies that will enable the Commission to address new compliance challenges, so that we will be recognized as a leader in assuring equitable tax compliance?
8. Who should be doing the compliance work?
9. What do the Executive Committee and the Steering Committee need to do in order to continue to lead the MTC toward achieving its vision by 2019?