



MULTISTATE TAX COMMISSION



DISCUSSION DRAFT

Proposed Process for Selecting
New MTC Uniformity Projects

SUBMITTED BY STAFF TO THE WORK GROUP

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New Project Selection Work Group

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Introduction

The Uniformity Committee established the New Project Selection Work Group to develop a process for adopting new uniformity projects. This paper summarizes a possible project selection process for discussion by the work group.

Uniformity Project Selection Process

1. The staff of the Commission would regularly solicit and otherwise identify potential new projects and make a report to the committee at each regular meeting (three times per year).
2. The Uniformity Committee would establish a Standing Subcommittee that meets regularly throughout the year to evaluate potential new projects as directed by the committee.
3. At each regular meeting, the Uniformity Committee would consider the staff report of proposed new projects and decide whether to decline the project, undertake the project, or assign the project to the Standing Subcommittee for further study.
4. The Uniformity Committee would adopt a set of criteria for use in evaluating proposed projects which may include, among other things, whether the proposed project:
 - a. Falls within the Commission's general expertise and mission, that is, state taxes on multistate businesses and related issues.
 - b. Builds on work done previously (e.g. existing models).
 - c. Addresses a pervasive issue affecting a number of states or taxpayers.

- d. Would produce a model law (designed to address an issue that is not generally addressed currently).
 - e. Would produce a uniform law (designed to create more state uniformity in existing laws), and if so, how difficult it would be for states to change their laws.
 - f. Would require legislation or could be accomplished by agency action (regulation, directive, etc.).
 - g. Would have likely have political support or opposition.
5. The Standing Subcommittee will study projects as assigned by the Uniformity Committee and may direct staff to gather data, survey the states or the public, do basic analysis of the potential issues, etc.
6. The Standing Subcommittee will produce a report for the Uniformity Committee summarizing its recommendations on the proposed projects assigned. The report will reflect any analysis of the issues, and the evaluation of the relevant criteria, and will also set out the proposed scope of the project—including specific issues to be addressed and the type of work/product that may be produced, including one or more of the following:
 - a. Holding discussions of the issue by interested states and the public.
 - b. Providing analysis of the issue and possible solutions.
 - c. Surveying the states for alternative approaches.
 - d. Considering best practices and making general recommendations.
 - e. Drafting model provisions including alternatives.
 - f. Drafting a model law (for those states that wish to adopt it).
 - g. Drafting a uniform law to reduce compliance/enforcement burdens or the possibility of duplicative taxation.
7. The Uniformity Committee will consider the recommendations of the Standing Subcommittee and make decisions as to which projects to prioritize and will maintain a list of those projects—which may be revised from time to time. The committee may use a ranking system for the purpose.
8. Commission staff will report at each meeting on the availability of resources to undertake new projects and the status of projects assigned so that the Uniformity Committee can initiate new projects when necessary.



9. The Uniformity Committee may initiate a project to be done by the committee as a whole, by a work group, or by staff (as directed by the committee). When the Uniformity Committee initiates a new project to be assigned to a work group or to staff, the committee will outline the work/product to be produced, the issues to be addressed, a timeline for the work, and other necessary direction.
10. As always, the Uniformity Committee may terminate a project if it determines that the criteria recommending that project are not longer met.

Discussion Draft