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October 11, 2018

Helen Hecht  
General Counsel/Hearing Officer  
Multistate Tax Commission  
444 North Capitol Street, NW  
Washington, DC 20001-1538

**RE: Model Uniform Statute and Regulation for Reporting Adjustments to Federal Taxable Income and Federal Partnership Items as of July 24, 2018**

Dear Hearing Officer Hecht:

I am writing to inform you that the Board of Directors of the Council On State Taxation (COST) has officially endorsed the above referenced model statute (hereinafter referred to as "Model RAR Statute"). In addition, COST is in the process of revising its policy statement on Reporting Requirements for Federal Changes to reflect certain provisions in the Model RAR Statute and to suggest that the model be adopted by the states as the gold standard for the reporting of federal changes. We appreciate the MTC's work on this model, and specifically thank the Uniformity Committee, Partnership Working Group as well as the states for collaboration with COST and the other Interested Parties (American Bar Association's State and Local Tax Committee, American Institute of CPAs, Institute for Professionals in Taxation, Master Limited Partnership Association and Tax Executives Institute).

COST encourages you to recommend the Model RAR Statute for endorsement by the Executive Committee of the MTC at the MTC's Fall Meeting being held in Orlando next month. This model addresses not only the new federal partnership audit provisions, which most states will need to address in 2019, but also the reporting of federal changes generally. The MTC's endorsement of this model will allow states to move forward with 2019 legislative proposals to adopt the Model RAR Statute, which will promote uniformity and provide greater compliance.

Respectfully,

Douglas L. Lindholm

cc: COST Board of Directors  
Gregory S. Matson, Executive Director, MTC