



MULTISTATE TAX COMMISSION

Maximizing the synergies of multi-state tax cooperation

To: MTC UDITPA Section 1 Workgroup

From: Sheldon H. Laskin, Counsel

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Subject: Definition of Terms Used in UDITPA Section 1 (BLACK'S PRINT EDITION)

This is to supplement my earlier memo. The following definitions are taken from Black's Law Dictionary, Seventh Edition.

Date of Maturity. The date when a debt falls due, such as a debt on a promissory note or bond.

Redemption. 1. The act or an instance of reclaiming or regaining possession by paying a specific price. 2. *Bankruptcy.* A debtor's right to repurchase property from a buyer who obtained the property at a forced sale initiated by a creditor. 3. *Securities.* The reacquisition of a security by the issuer. Redemption usu. refers to the repurchase of a bond before maturity, but it may also refer to the repurchase of stock and mutual-fund shares. – Also termed (in reference to stock) *stock redemption; stock repurchase.* 4. *Property.* The payment of a defaulted mortgage debt by a borrower who does not want to lose the property.

Sale. 1. The transfer of property or title for a price. 2. The agreement by which such a transfer takes place. The four elements are (1) parties competent to contract, (2) mutual assent, (3) a thing capable of being transferred, and (4) a price in money paid or promised.

Exchange. The act of transferring interests, each in consideration for the other. 2. The payment of a debt using a bill of exchange or credit rather than money. 3. An

organization that brings together buyers and sellers of securities, commodities and the like to promote uniformity in the customs and usages of merchants, to facilitate the speedy adjustment of business disputes, to gather and disseminate valuable commercial and economic information, and to secure to its members the benefits of cooperation in the furtherance of their legitimate pursuits. The best-known exchanges are stock, produce, livestock, cotton, and grain exchanges. 4. The building or hall where members of an exchange meet every business day to buy and sell for themselves, or as brokers for their customers, for present and future deliveries.

Loan. 1. An act of lending; a grant of something for temporary use. 2. A thing lent for the borrower's temporary use; esp. a sum of money lent at interest

Disposition. The act of transferring something to another's care or possession, esp. by deed or will; the relinquishing of property. 2. A final settlement or determination <the court's disposition of the case>.