Thank you very much for participating in yesterday’s initial work group teleconference. I’ve created the following preliminary issues list/next steps list, based on my teleconference notes. Feel free to send me any corrections you think are necessary.

1. Research existing MTC regs to see if any can be adopted/adapted for use in implementing the definition of receipts under the model.
2. Do state statutes/regulations/judicial and administrative decisions provide guidance as to the definition of the terms “maturity”, “redemption”, “sale”, “exchange,” “loan” or “other disposition?” Also, do they provide guidance as to how the collection or selling of accounts receivable should be treated under Section 1? Finally, can they provide guidance as to how receipts should be treated in a combined reporting state if the combined group engages in multiple lines of business, when the receipts for each line are realized at varying periods of regularity?
3. As Section 1 is based on the transactional test alone, do state statutes/regulations/judicial and administrative decisions provide any guidance as to the treatment of receipts that would fall exclusively under the functional test? Are rules needed to govern when receipts would be regarded as exclusively realized under the functional test?
4. What issues should the work group identify as falling within Section 18 rather than Section 1? For example, receipts from the sale of securities in the ordinary course of business. Should special industry regulations be promulgated for such cases?
5. Does California (or other states) have rules governing the treatment of receipts from the sale of securities in the ordinary course of business?

The next teleconference will be scheduled for November 20, 2014 at 3:30 p.m. Teleconferences will be held every other Thursday at 3:30 p.m. I will post the notice of the teleconferences for November 20, December 4 and 18 today. Jennifer Hays has graciously volunteered to serve as work group facilitator, at least through the end of the year. Once the legislative session begins in January, we may need a new facilitator.

By the next meeting, I will research the MTC regs in relation to item 1 above. I will also address item 5 and begin to survey state law in relation to the remaining items. Steve Wynn is to research Idaho law/practice regarding item 3. I would appreciate any state materials you have regarding any of these items. Plus, please give some thought to item 4. Finally, if you think of additional issues we should address under Section 1, please let me know.

Thank you again for your participation. Talk to you on the 20th, if not before.