



Multistate Tax Commission Uniformity Committee

Galt House Hotel
140 North Fourth Street
Louisville, Kentucky

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Staff Report – Uniformity Status Report

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In line with the Multistate Tax Commission’s strategic planning initiatives, this report summarizes two important areas of legislative developments related to models adopted by the Uniformity Committee. The adopted uniform models referred to in this memo, along with others, are available on the MTC’s website (www.mtc.gov) under the Uniformity tab.

Amendments to Article IV, Section 17

(Adopted by the Commission 2014)

In 2014, the Commission adopted changes to Article IV of the model compact providing for market sourcing of receipts from the sales of services and intangibles in addition to other changes. Recent states moving to market sourcing include Nebraska, Rhode Island, Connecticut, and Louisiana. Proposals have been put forward to adopt market sourcing in New Mexico, North Carolina, and Oregon. Two states had bills that to adopt Article IV changes generally—Arkansas (H.B. 2100) and Montana (H.B. 511), and the bill in Montana passed. Oregon also adopted the MTC change to the definition of apportionable income as all income that is apportionable under the U.S. Constitution.

Sales and Use Tax Nexus Model Act

(Adopted by Commission in 2016)

States have continued to consider and, in some cases, pass legislation that would essentially abrogate *Quill*, or at least raise a challenge to *Quill*. As we have observed in prior reports, this makes it unlikely that states will consider adopting the Commission’s Sales and Use Tax Nexus Model, which recognizes the limits of *Quill*.