



April 2018 Uniformity Committee Meeting

Radisson Blu Mall of America
2100 Killebrew Drive
Bloomington, Minnesota 55425
Wednesday, April 25, 2018

Uniformity Status Report

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In line with the Multistate Tax Commission's strategic planning initiatives, this report summarizes developments related to models put forward by the Uniformity Committee. (Final models are available on the MTC's website, www.mtc.gov, under the Uniformity tab.)

Amendments to Article IV, Section 17 and Model Regulations

Market-based sourcing for sales factor is now the norm with the majority of states using it to source receipts from sales of services and intangibles for purposes of calculating the receipts factor. In 2014, the Commission adopted changes to Article IV of the model compact that, among other things, provided for market sourcing. In 2017, the Commission adopted regulations to implement market sourcing. Recent states moving to market sourcing include Nebraska, Rhode Island, Connecticut, Louisiana, and Oregon. Proposals have also been put forward to adopt market sourcing in New Mexico, Kentucky, and North Carolina. Montana adopted market-sourcing regulations. Also, California and Washington are reportedly working on changes to their market-sourcing regulations (following the benefits received approach). California FTB counsel recently commented that, from an administrative standpoint, using delivery appears to be an easier approach in some ways. The District of Columbia has also said they are drafting regulations that follow the MTC model regulations.

Developments Involving Sales and Use Tax Notice and Reporting Requirements

In addition to Colorado's information reporting requirements, Vermont, Washington, Pennsylvania, Minnesota, and Rhode Island have enacted sales and use tax information and reporting requirements and legislation has also been introduced in Alabama and Hawaii. In some cases, the legislation requires marketplaces to either collect tax on their third-party sales or file information reports.

Other

Montana and Washington have adopted the Commission's financial institution special apportionment rule.