



MULTISTATE TAX COMMISSION

Annual Business Meeting of the Multistate Tax Commission

July 24, 2013

San Diego, California

I. Roll Call of the States

The chair opened the meeting at 2:00 PM. A roll call of compact states was taken. Alabama, Alaska, Arkansas, District of Columbia, Hawaii Idaho, Kansas, Missouri, Montana, New Mexico, North Dakota, Oregon, Texas, Utah, and Washington were present. Colorado and Michigan were absent.

The following individuals attended the meeting either in person or *via telephone*:

Name	Affiliation	Name	Affiliation
Craig Banks	Alabama	Demesia Padilla	New Mexico
Michael Gamble	Alabama	Lennie Collins	North Carolina
Kelley Gillikin	Alabama	Cory Fong, Chair	North Dakota
Julie Magee	Alabama	Matt Peyerl	North Dakota
Curtis Stewart	Alabama	Ryan Rauschenberger	North Dakota
Chris Sherlock	Alabama	Emily Thompson	North Dakota
Christy Vandevender	Alabama	Myles Vosberg	North Dakota
Robynn Wilson	Alaska	Donnita Wald	North Dakota
Walter Anger	Arkansas	Douglas Adair	Oregon
Tom Atchley	Arkansas	Julie Anderson	Oregon
Stephen Cordi	District of Columbia	Gary Humphrey	Oregon
Peter Donnelly	Georgia	Christina Heath	Texas
Phyllis Abe	Hawaii	Nancy Prosser	Texas
William Deeley	Hawaii	Bruce Johnson	Utah
Leticia Jacobs	Hawaii	Tim Jennrich	Washington
Donald Kuriki	Hawaii	Public Attendees	
Madelaina Lai	Hawaii	Deborah Bierbaum	AT&T
Lynn Lyckman	Hawaii	Scott Peterson	Avalara
Ted Shiraishi	Hawaii	Laura Mahoney	BNA Daily Tax Report
Kevin Wakayama	Hawaii	Greg Turner	Council On State Taxation (COST)
Michael Chakarun	Idaho	Russ Brubaker	FedTax
Richard Jackson	Idaho	Robert Montellione	Prudential Financial
Tom Katsilometes	Idaho	Amy Hamilton	State Tax Notes
Richard Cram	Kansas	Jamie Fenwick	Time Warner Cable
Jennifer Hays	Kentucky	Dan Bucks	
Jason DeCuir	Louisiana	MTC Staff and Consultants	
Kimberly Doley	Louisiana	Benjamin Abalos	Joe Huddleston
John Mollenkamp	Missouri	Ken Beier	Gregory Matson
<i>Wood Miller</i>	Missouri	Roxanne Bland	Jim Rosapepe
Lee Baerlocher	Montana	Lila Disque	Thomas Shimkin
Mike Kadas	Montana	Elliott Dubin	Shirley Sicilian
Gene Walborn	Montana	Bruce Fort	Jeffrey Silver
Rebecca Abbo	New Mexico		William Six

The chair determined there was a quorum and asked those in the room and on the phone to introduce themselves.

II. Public Comment Period

There were no public comments during this portion of the meeting.

III. Approval of Minutes of the Annual Business Meeting held August 1, 2012

Demesia Padilla (New Mexico) moved acceptance of the minutes. This was approved by a unanimous voice vote.

IV. Report of the Treasurer

Demesia Padilla, the new treasurer, deferred to Mr. Huddleston who presented the report—mentioning that the fee levels for major programs are established by the Executive Committee in May or June of each year and that the budget includes 2 percent increase for membership assessments, audit reimbursements and nexus program fees. He also reviewed expenditure items on page 4 of the report.

Julie Magee (Alabama) moved approval of the budget for FY 2013/14. This was approved by a unanimous voice vote.

V. Report of the Executive Director

Mr. Huddleston complimented the commission staff including the DC office staff, committee staff, staff members from the legal division and the audit and training programs for their outstanding performance. He also noted that he has continued to keep the budget in the black.

Cory Fong pointed out the tremendous amount of activity during the past year and Gary Humphrey pointed out the award to Joe Huddleston from the New York University School of Continuing and Professional Studies.

VI. Report of the Executive Committee & Other Committees or Programs

A. Committee & Program Reports

Greg Matson noted the Executive Committee report in the binders. Jeff Silver presented the report for the Audit Committee and Shirley Sicilian presented the report for the Litigation Committee.

In addition to his written report, Thomas Shimkin noted that the National Nexus Program will stop providing service as of July 1, 2014 to states that are not financially supporting this program through Nexus membership. He said that he is actively soliciting memberships in advance of the cut-off. In response to a comment from Bruce Johnson, Thomas Shimkin said that Nexus will tell taxpayers how to contact non-member states after the July 1 cut-off. Lastly, Thomas Shimkin said that the Nexus Committee had prepared a draft revision of its charter for approval by the Executive Committee.

Wood Miller presented the report for the Uniformity Committee, and noted the initiation of a marketplace fairness project and work with the strategic planning effort on process improvement.

Ken Beier presented the Training Program report.

B. Commission Action on Executive & Standing Committee Reports

Carol Nelson (Washington) moved ratification of all actions of the Executive Committee during the past fiscal year. This was approved by a unanimous voice vote.

VII. Unfinished Business

There was no unfinished business to consider at the meeting.

VIII. New Business

A. Recommended Amendments to Public Participation Policy and Bylaws Regarding Notice Requirements

Shirley Sicilian reviewed the public complaint regarding failure to provide adequate notice of a commission meeting, and recognized the support provided by Sheldon Laskin on draft clarifications to the notice requirements in our bylaws and public participation policy. Mr. Laskin reviewed the proposed changes, and recognized the support of Dee Wald with drafting the proposed changes. Nancy Prosser moved approval of the proposed amendments. This was approved by a unanimous voice vote.

B. Other Business

Mr. Huddleston provided an update on the request from New Jersey that the Commission acquire transfer pricing audit capabilities. He indicated that he will be assessing audit, legal, and economic staffing requirements and developing a proposal for a program, which may be set up for four years with the support of a minimum of five to six states.

There was no other new business.

IX. Resolutions

Julie Magee moved for approval of Resolution 2002-02, Ensuring the Equity, Integrity and Viability of State Income Tax Systems, Amended October 17, 2002 and July 31, 2008. This was passed by a unanimous voice vote.

Julie Magee moved for approval of the Resolution in Support of State Consideration of the Streamlined Sales and Use Tax Agreement's Telecommunications Sourcing Rules and Definitions. This was passed by a unanimous voice vote.

The 2013 Statement of Application to Legislative Activity of the 113th Congress was submitted by Joe Huddleston to the Commission

Approval of the following honorary resolutions was moved by John Mollenkamp and approved by a unanimous voice vote:

- Resolution No. 2012A: In Recognition of Rick DeBano, Audit Committee Chair, and Frank Hales, Audit Committee Vice-Chair
- Resolution No. 2012B: In Recognition of Marshall Stranburg, Litigation Committee Chair and Mark Wainwright and Clark Snelson, Litigation Committee Co-Vice Chairs
- Resolution No. 2012C: In Recognition of Lennie Collins, Nexus Committee Chair.
- Resolution No. 2012D: In Recognition of Wood Miller, Uniformity Committee Chair, Robynn Wilson, Income and Franchise Tax Subcommittee Chair, and Richard Cram, Sales and Use Tax Subcommittee Chair.

X. Report of the Nominating Committee

Cory Fong presented the recommended slate of nominees to fill officer and at-large positions on the Executive Committee for 2013-2014:

Chair Julie Magee, Commissioner, Alabama Department of Revenue
Vice Chair . . . Demesia Padilla, Secretary of Taxation and Revenue, New Mexico
Treasurer . . . Rich Jackson, Commissioner, Idaho Tax Commission?
At-Large Susan Combs, Texas Comptroller of Public Accounts
Andy Dillon, State Treasurer, Michigan
Mike Kadas, Director, Montana Department of Revenue
Carol Nelson, Director, Washington Department of Revenue

XI. Election of Officers and Executive Committee

John Mollenkamp moved approval for the slate of candidates. This was approved by a unanimous voice vote.

XII. Report of the Chair

Cory Fong recognized Gale Garriott, Executive Director of the Federation of Tax Administrators (FTA). Following comments on the history of the MTC and FTA, Mr. Garriott suggested that states participate in the upcoming FTA data match workshop.

Mr. Fong then reviewed some of the highlights from his two years as Chair of the Commission. Referring to the discussion at the annual meeting conference, he cited the need to engage key stakeholders, including citizens and legislators. He commended Bruce Johnson for his liaison work with the NCSL Executive Committee Task Force on State and Local Taxation-- recognizing that there are challenges with this group, but that the group has also been helpful on some issues, such as federal mobile workforce legislation. Mr. Fong cited the successful work on the accommodations intermediaries project and Nancy Prosser's role in supporting this. He also noted the progress on the UDITPA project. Regarding the Gillette case and subsequent events, he recognized the legal support provided to California, and the organizational changes that have been made subsequent to California's withdrawal from the compact. He also commented on the strategic planning effort which engendered the engagement process

and the audit process projects, and is now beginning to address aspects of the work of the Uniformity Committee. He thanked the MTC staff for their excellent work and the North Dakota staff members who encouraged his engagement with the Commission and supported North Dakota Tax Commission work while he was away for MTC meetings. Mr. Fong closed by expressing his happiness to be turning over the role as chair to Julie Magee and for Idaho's re-engagement with the Commission.

XIII. Comments by Chair-Elect

Julie Magee recognized her brilliant staff members who have given her the confidence to take on this role and expressed her desire to see good tax policy for every state in the nation.

Joe Huddleston presented a plaque to Cory Fong, in appreciation of his tireless work for the Commission. As he accepted the plaque, Mr. Fong recognized the strong connections between North Dakota and the Commission—through a long history of tax commissioners serving as Chair.

XIV. Adjournment

The Chair adjourned the meeting at 3:35 pm.