



MULTISTATE TAX COMMISSION

To: Multistate Tax Commission  
From: Joe Huddleston, Executive Director  
Date: July 23, 2014  
Subject: 2014 Executive Committee Annual Report

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The Executive Committee met three times during the period July 1, 2013, to June 30, 2014:

- July 25<sup>th</sup> in San Diego, California
- December 12<sup>th</sup> in New Orleans, Louisiana
- May 8<sup>th</sup> in Washington, D.C.

The meetings were regular meetings through which the committee provided oversight and direction to the activities of the Commission.

The following members of the Commission were elected to serve as Commission officers and members of the Executive Committee for fiscal year 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; and Carol Nelson, Director, Washington Department of Revenue

Michigan State Treasurer Andy Dillon resigned effective October 31st, creating a vacancy in one of the four at-large positions on the Executive Committee. New Michigan State Treasurer R. Kevin Clinton was appointed by the Chair to fill the open position and elected by the committee.

The Executive Committee took the following actions during fiscal year 2014:

- Recommended that state legislatures consider NCLS's State Declared Disaster Model Language (Facilitating Business Rapid Response to State Declared Disasters Act)
- Reviewed the efforts and completed work of the Strategic Planning Steering Committee for fiscal year 2013.

- Received a Final Project Report for the Model Statute for Partnership or Pass-Through Entity Income Ultimately Realized by an Entity that is Not Subject to Income Tax.
- Took no action but retained a Model Sales & Use Tax Notice and Reporting proposal pending the final resolution of litigation in Colorado.
- Approved the Nexus Committee's revised National Nexus Program charter.
- Accepted Missouri's and Washington's offer of hosting the Commission's annual meetings in 2015 and 2016, respectively (Missouri and Washington later agreed to switch years).
- Elected R. Kevin Clinton, Michigan State Treasurer, to serve out the unexpired portion of Andy Dillon's at-large position on the Executive Committee.
- Approved a Resolution of Appreciation for past Commission Chair Cory Fong, who resigned as North Dakota's State Tax Commissioner on December 31, 2013.
- Approved the audited financial statements as reported in an independent auditor report for fiscal year July 1, 2012 – June 30, 2013.
- Discussed and concurred with the Executive Director's initiating a design project for a possible Arm's-Length Adjustment Service program.
- Approved the Strategic Planning Steering Committee's revised charter.
- Considered the hearing officer's report regarding proposed Recommended Amendments to Compact Article IV and returned it to the Uniformity Committee for review and consideration of the hearing officer recommended changes.
- Approved a proposed 2014-2015 budget for the Commission.
- Approved Recommended Amendments to Public Participation Policy Section 5(b) for adoption by the Commission and directed that requisite notice be provided so that they would be considered at the Commission's annual business meeting schedule for July 30, 2014.
- Considered the Uniformity Committee's recommendations with respect to the hearing officer's report regarding proposed Recommended Amendments to Compact Article IV; recommend consideration by the Commission of amendments to Section 1(a), Section 1(g), Section 9, Section 17, and adding Section 18(b) and (e), triggering the bylaw 7 survey process for these provisions; returned Section 18(c) and (d) to the Uniformity Committee with direction for further drafting work (Section 18(e) was withheld from the bylaw 7 process pending work on Section 18(c) and (d)).

- Directed a public hearing be held pursuant to Art. VII of the Multistate Tax Compact regarding Proposed Amendments to Model Uniform Financial Institutions Apportionment Rule.

The Executive Committee undertook additional actions during fiscal year 2014 that are recorded in the minutes of its meetings.