



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Omar Davis, Chair
Members of the Commission

From: Bruce Fort, MTC Counsel

Date: July 17, 2008

Subject: **Bylaw 7 Survey Results: Proposed Model Statute for Taxation of Captive Real Estate Investment Trusts**

On January 3, 2008, the Commission Executive Committee considered the Hearing Officer's Report (available at http://www.mtc.gov/Uniformity/Uniformity_Projects/A-Z/_REIT%20Proposed%20Model%20STATUTEasapproved%20_2_.pdf) regarding the proposed model statute for taxation of captive real estate investment trusts and, after making certain amendments to the model statute, approved the model and adopted the hearing officer's recommendations and voted to refer the proposed statute (available at <http://www.mtc.gov/Uniformity.aspx?id=1822>) and hearing officer's recommendations to the Commission.

Pursuant to MTC bylaw 7, the Commission may consider a uniformity proposal if a majority of affected compact member states indicate they would consider adoption of the proposal in their jurisdiction. On February 26, 2008, a bylaw 7 survey was sent to affected compact member states with a request for response by April 11, 2008. A majority of the states surveyed have responded affirmatively and the Chairman has directed the proposal be submitted for Commission consideration.