The Environmental Scan is a tool we use to help focus our Strategic Planning priorities and efforts. The organizational strengths and weaknesses that have been identified, and the opportunities and threats that exist in the external environment, will inform the discussion and decisions about the way in which we want to approach the goal areas that we will focus on during the next year. For 2014-15, the two goal areas that the Steering Committee has selected are:

**Vitality and reputation of the commission** – Our goal is to improve our image and reputation nationally. Increased vitality and reputation of the MTC will be reflected by:
- A higher level of institutional knowledge within the states about the MTC.
- A more stable model for funding the activities and services of the MTC.
- A more positive image and reputation nationally.
- A higher level of awareness and use of the MTC’s services by state and local tax authorities.
- More effective and efficient decision-making processes and communication.

**Compliance programs** – Our goal is to develop timely and effective strategies to address new compliance challenges. Achievement of the MTC’s compliance goals will be reflected by:
- Greater voluntary compliance by taxpayers with state and local tax laws.
- Earlier identification of compliance challenges by the states and MTC staff.
- Prompt development of strategies to address new compliance challenges by the states and MTC staff.
- Broad recognition for our leadership in addressing compliance issues.

**Results of 12-12-13 Environmental Scan**

**STRENGTHS:** These are strengths the MTC currently has as an organization
- Adds value to state’s audit functions
- Competence and expertise in substantive tax law and audit
- Promotes uniformity by providing a forum for discussion of uniformity issues
- Public participation policy and transparency
- Training programs
- Collective wisdom and knowledge of the states
- Ability to build relationships between agencies
- ADR process
- Legal and staff expertise
- Diversity of membership – points of view and experience
**WEAKNESSES:** These are organizational weaknesses the MTC needs to address

Unclear sense of our role in relationship to other state tax agencies and organizations
Lack of effective communication about MTC purposes and goals
Slow processes, especially uniformity proposal development
Time constraints on members’ attendance at meetings
Resource constraints (people and financial)
Lack of respect (outside the MTC) for model recommendations
High turnover among commissioners and state staff

**OPPORTUNITIES:** These are opportunities that the MTC can take advantage of to achieve its mission and vision

Strategic planning discipline – further integration into operations and processes
More participation by the states, new tax agency leaders, new representatives to committees
Changes in business models in private sector that allow administrative challenges to be addressed (e.g. collection of tax on remote sales)
Globalization of the economy – as a result, business wants more clarity, certainty and predictability in tax policy and administration
Congressional disarray allows the states to fill the void in assisting legislative policy makers
Outreach and building relationships with other groups – e.g. NCSL, COST
Marketplace Fairness Act (when passed) – single point of audit
More multistate collaboration on resolving issues

**THREATS:** These are threats to the MTC’s ability to achieve its mission and purpose

Resistance from industry to our work
Congressional pre-emption
*Gillette* case and progeny – misperceptions about the case; hasty reactions by states; long-term uncertainty through appeal process
Continuing state budget constraints
Lack of understanding of MTC by outside groups and people
Mischaracterization of MTC in press and by “opposition”
General political climate
State legislative use of tax codes for economic development undermines potential for achieving greater uniformity
Difficult to find well-qualified staff for MTC central operations