

Environmental Scan – Strategic Planning Steering Committee 12-12-13 – New Orleans, LA

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