



To: Executive Committee
From: Joseph Thomas, Nexus Committee Chair
Date: November 2, 2007
Subject: Nexus Committee Report (Open Session)
July 1 -- October 26, 2007

The Nexus Committee of the Commission's National Nexus Program is chaired by Joseph Thomas, Connecticut Department of Revenue Services. Lee Evans of New Jersey is vice-chair.

The committee held an in-person meeting on July 31, which was attended by fifty people, including two representatives of the Council on State Taxation (COST). The committee considered the following issues and took the following actions:

- From July 1 to October 26, the National Nexus Program executed contracts with 39 taxpayers, which resulted in 110 separate contracts with states. These 110 contracts resulted in \$3,518,642 in back taxes collected during the reporting period. The National Nexus Program opened 21 new voluntary disclosure cases during the reporting period. These cases represent 165 separate potential contracts with states.
- The committee considered the current activities and goals of the Nexus Program in light of the program's Charter and each state's preferences. The committee approved the program's present emphasis on voluntary disclosure.
- The committee reviewed draft guidelines for the Commission's voluntary disclosure program.
- The committee reviewed the Nexus School program. A school was held in Nashville, Tennessee on October 29 and 30.
- The committee received a report from the Uniformity Income/Franchise Tax Subcommittee that it does not wish to collaborate on a project to develop guidelines to help states and taxpayers determine when nexus ceases after cessation of contact. The committee directed staff to investigate possible collaboration with the Sales/Use Tax Subcommittee. The Nexus Committee voted 9 to 6 to proceed with the project without regard to the Sales/Use Tax Subcommittee's response.