



*Working together since 1967 to preserve federalism and tax fairness*

To: Jan Goodwin, Chair  
Members of the Executive Committee

From: Ted Spangler  
Chair, Uniformity Committee

Date: November 8, 2007

Subject: Uniformity Committee Report of July – October, 2007

---

My vice chairs, Wood Miller of Missouri and Richard Cram of Kansas, and I report the following uniformity committee activity for the period July through October of 2007.

The Committee held in-person meetings July 29<sup>th</sup> and 30<sup>th</sup>, 2007 in Minneapolis, Minnesota. Each meeting was attended by approximately 40 people, representing 24 states, a number of taxpayer groups, the state tax press, and the MTC staff.

#### **Income and Franchise Tax Subcommittee**

- **Special Rule for Telecommunications Apportionment.**  
In July, after extensive work, this long-standing project was referred to the full Committee and then to Executive Committee for approval for public hearing. (Executive Committee gave approval for public hearing. The hearing was held October 16 and a hearing officer's report is under development.)
- **Model Statutes for Real Estate Investment Trusts (REITs) and Regulated Investment Companies (RICs)**  
In July, this project was split into two parts – RICs and REITs. The proposal dealing with REITs was referred to the full Committee and then to Executive Committee for approval for public hearing. (Executive Committee gave approval for public hearing. The hearing was held October 26 and a hearing officer's report is under development.) The proposal dealing with RICs remains under development
- **Amendment of Model Rule for Financial Institutions Apportionment**  
The Subcommittee appointed a working group of state volunteers to work with representatives from industry on developing an issues list. The Subcommittee directed the group to hold an Interested Parties Meeting to gather input from industry and taxpayer groups and help identify issues.
- **Amendment to MTC Model Regulations IV.18 (Alternative Apportionment)**  
This project was initiated at the July meeting and will be discussed in detail in November.

- **Possible New Project on Uniform Reporting of Federal RARs**  
A taxpayer group has asked the subcommittee to consider a project for alleviating administrative burdens associated with reporting of federal RARs.

### **Sales and Use Tax Subcommittee**

- **Proposed Model Statute Regarding Hotel Intermediaries**

The subcommittee is working on two alternative proposals.

- **Statistical Sampling Statute and Regulation**

At the November, 2006 meeting, this proposal was approved by the Executive Committee for public hearing. The hearing was held and the hearing officer's report recommended that the proposal be re-referred to Uniformity Committee for additional amendments.

- **Possible New Project on Telecommunications Transactions Taxes**

Representatives of the telecommunications industry have asked the committee to consider a project for model centralized administration of telecommunication transaction taxes, sourcing rules and definition. In addition the group asks for consideration of a "best practices" model for posting of local tax rates and associated "hold harmless" provisions for providers that collect at the posted rates. This was discussed in July and will be discussed again in November.

- **Possible New Project to Establish Uniform Timelines for Duration of Nexus.**

The MTC Nexus Committee has requested the MTC Uniformity Committee consider a new uniformity project to establish uniform timelines for duration of Nexus. This was discussed in July and will be discussed in November.