



MULTISTATE TAX COMMISSION

## **Uniformity Committee Annual Report July 1, 2007 – June 30, 2008**

The MTC Uniformity Committee, chaired by Ted Spangler, Office of the Idaho Attorney General, is divided into two subcommittees. Wood Miller, Missouri Department of Revenue, chairs the Income & Franchise Tax Subcommittee and Richard Cram, Kansas Department of Revenue, chairs the Sales & Use Tax Subcommittee. Below is a summary of the actions taken by the subcommittees and the full committee during the 2008 fiscal year.

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

***Model Regulation for Telecommunications Sales Factor Apportionment*** The subcommittee referred this proposal to the Uniformity Committee for its consideration.

***Model Statute for Real Estate Investment Trusts (REITs) and Regulated Investment Companies (RICs)***

The subcommittee referred a REITs proposal to the Uniformity Committee for its consideration. The subcommittee is considering whether to continue development of a RIC proposal.

***Amendments to Model for Apportionment of Financial Institution Income***

This project is under development. The subcommittee created a special industry/state work group to review and propose amendments where necessary.

***Amendments to Model Regulations for Compact Art.IV.18*** This project regarding possible amendments to Commission model regulation for section 18, distortion adjustments, is currently under development.

***Income Earned by Non Corporate Income Taxpayers Derived from an Ownership Interest in a Pass-through Entity.***

The subcommittee initiated this project to determine whether a model statute or regulation should be developed to address potential gap in taxation created by confluence of insurance taxation and regular corporate taxation structures.

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

***Model Statute Clarifying the Tax Responsibilities of Accommodations Intermediaries***

The subcommittee continues to work on a proposal requiring intermediaries to collect lodgings tax on the total price charged to the customer and provides alternate means of remittance to the state.

***Model Statutes for Administering Telecommunications Transaction Taxes***

The subcommittee appointed a working group of states and industry representatives to recommend language for model centralized tax administration statutes.

**Uniformity Committee**

***Proposed Model Regulation for Telecommunications Sales Factor Apportionment***

The Uniformity Committee referred this uniformity proposal to the Executive Committee for its referral to the public hearing process, which has been completed. The proposal is currently under consideration by MTC Compact Member states for adoption as a uniformity recommendation.

***Real Estate Investment Trusts (REITs) and Regulated Investment Companies (RICs)***

The Uniformity Committee referred a REIT uniformity proposal to the Executive Committee for its referral to the public hearing process, which has been completed. The proposal is currently under consideration by MTC Compact Member states for adoption as a uniformity recommendation.

***Model Audit Sampling Authorization Statute and Accompanying Regulation***

The Uniformity Committee amended the proposal at the recommendation of the Hearing Officer while in the hearing process. The proposal is currently under consideration by MTC Compact Member states for adoption as a uniformity recommendation.