



MULTISTATE TAX COMMISSION

## **Uniformity Committee Annual Report Fiscal Year 2007**

The Commission's Uniformity Committee is chaired by Ted Spangler, Office of the Idaho Attorney General. The Committee 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.

The Committee held in-person meetings November 13-14, 2006 and March 20-21, 2007. Each meeting was attended by approximately 40 people, representing nearly 20 states, a number of taxpayer representatives and groups, the state tax press, and the MTC staff. Subcommittees also met twice by telephone.

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

- **Special Rule for Telecommunications Apportionment.**  
After extensive work, this long-standing project is nearing. It is possible that in July it will be referred to the full Committee and then to Executive Committee for consideration for public hearing.
- **Model Statutes for Real Estate Investment Trusts (REITs) and Regulated Investment Companies (RICs)**  
After extensive discussions with industry representatives, the subcommittee voted to divide the project into two parts. Two proposals, dealing with abusive REITs and RICs respectively, are currently under development
- **Amendment of Model Rule for Financial Institutions Apportionment**  
The subcommittee is working to develop language to address new issues that have arisen with respect to the property factor.
- **Administrative of Federal Revenue Agent Reports (RARs)**  
A taxpayer group has asked the subcommittee to consider a project for alleviating administrative burdens associated with reporting of federal RARs.
- **Possible New Project on Amendments to MTC Model Regulations for Section 18**  
This potential new project is currently under consideration.
- **Possible New Project on Development of Apportionment Rule for Intangible Holding Companies**  
This potential new project is currently under consideration.

## **Sales and Use Tax Subcommittee**

- **Proposed Model Statute Regarding Hotel Intermediaries**

The subcommittee is working on two alternative proposals.

- **Possible 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.

- **Statistical Sampling Statute and Regulation**

At the November, 2006 meeting, this proposal was referred to the full Uniformity Committee for its approval and then approved by the Executive Committee for public hearing. A hearing officer’s report will be submitted in July.