



Minutes of Special Commission Business Meeting September 7, 2006

I. Welcome

II. Roll Call of the States

The meeting, which was held via teleconference, convened at 2:30 P.M. Eastern Time. The Executive Director called the roll of the states and determined that a quorum was present.

III. Public Comment Period

[Written comments provided for this meeting are not included with these minutes.]

A. Council on State Taxation (COST)

Diann Smith of COST did not comment on the Reportable Transactions Model Statute except to note that COST has concerns regarding state specific reportable transactions and the pyramiding of penalties.

Ms. Smith did comment on the Compilation of State Data. She noted that COST has objections regarding MTC's procedure--there is no stand alone Hearing Officer's Report on which to comment and the spreadsheet is not open to public comment. Ms. Smith stated that COST opposes the concept of the Compilation of State Data because COST believes that it is of no use to the states, the administrative burden to taxpayers is too high, and that MTC should wait for the new Financial Accounting Standards Board rules that may affect state tax reporting.

B. Tax Executives Institute (TEI)

Eli Dicker, TEI, noted his organization's written comments and stated that the new Schedule M-3 schedule with IRS Form 1120, which must be filed by firms with more than \$10,000,000 in assets, provides enough information for state revenue agencies to determine if firms have engaged in abusive transactions.

C. American Institute of Certified Public Accountants (AICPA)

Karen Nakamura stated that the Model State Compilation of Data Statute was unacceptable to the members of AICPA because of the compliance burden on taxpayers, and

that the information contained in the compilation of data is of value to neither businesses nor tax administrators.

Ms. Nakamura also informed the Commission of AICPA's concern regarding the Model Reportable Transactions Statute:

- AICPA has concerns regarding privacy and confidentiality.
- States already have information sharing agreements in place.
- The penalties contained in the statute are excessive.
- The document retention requirements are excessive.

IV. Reconsideration of Uniformity Proposals as Recommended by the Executive Committee Pursuant to its September 1, 2006 Teleconference

A. Proposed Resolution Adopting a Model Reportable Transactions Statute

State	Representative	Yes	No	Abstain	Absent
Alabama	Michael Mason	X			
Alaska	Robynn Wilson	X			
Arkansas	Danny Walker	X			
California	Ben Miller	X			
Colorado					X
District of Columbia					X
Hawaii	Kurt Kawafuchi	X			
Idaho	Lynn Chenoweth	X			
Kansas	Joan Wagon	X			
Michigan	Julie Kroll	X			
Minnesota	Dan Salamone	X			
Missouri	Trish Vincent			X	
Montana	Dan Bucks	X			
New Mexico	Jan Goodwin	X			
North Dakota	Bob Wirtz	X			
Oregon	Janielle Lipscomb	X			
South Dakota	Tim Weber	X			
Texas	Jerry Oxford			X	
Utah	Bruce Johnson	X			
Washington	Greg Potegal	X			
Totals		16	0	2	2

The motion to adopt this model statute passed.

B. Proposed Resolution Adopting a Model Compilation of State Tax Data Statute

State	Representative	Yes	No	Abstain	Absent
Alabama	Michael Mason	X			
Alaska	Robynn Wilson			X	
Arkansas	Danny Walker	X			
California	Ben Miller	X			
Colorado					X
District of Columbia					X
Hawaii	Kurt Kawafuchi	X			
Idaho	Lynn Chenoweth	X			
Kansas	Joan Wagon	X			
Michigan	Julie Kroll	X			
Minnesota	Dan Salamone			X	
Missouri	Trish Vincent			X	
Montana	Dan Bucks	X			
New Mexico	Jan Goodwin	X			
North Dakota	Bob Wirtz	X			
Oregon	Janielle Lipscomb	X			
South Dakota	Tim Weber	X			
Texas	Jerry Oxford			X	
Utah	Bruce Johnson	X			
Washington	Greg Potegal	X			
Totals		15	0	3	2

The motion to adopt this model statute passed.

C. *Proposed Resolution Directing Staff to Work with Taxpayer Groups on a Uniform Filing Format For Compilation of State Tax Data*

State	Representative	Yes	No	Abstain	Absent
Alabama	Michael Mason	X			
Alaska	Robynn Wilson			X	
Arkansas	Danny Walker	X			
California	Ben Miller	X			
Colorado					X
District of Columbia					X
Hawaii	Kurt Kawafuchi	X			
Idaho	Lynn Chenoweth	X			
Kansas	Joan Wagnon	X			
Michigan	Julie Kroll	X			
Minnesota	Dan Salamone	X			
Missouri	Trish Vincent			X	
Montana	Dan Bucks	X			
New Mexico	Jan Goodwin	X			
North Dakota	Bob Wirtz	X			
Oregon	Janielle Lipscomb	X			
South Dakota	Tim Weber	X			
Texas	Jerry Oxford			X	
Utah	Bruce Johnson	X			
Washington	Greg Potegal	X			
Totals		16	0	2	2

The motion directing staff to work on the format for state tax data passed. .

V. Adjournment

The meeting was adjourned at 3:30 p.m. Eastern Time.