

TO: Members of MTC Nexus Committee

From: Elizabeth Harchenko, Consultant

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Subject: Preparing for Environmental Scan

We will be conducting an environmental scan during the steering committee meeting in Denver. Since we have a tight schedule, please review the information in this memo before you arrive.

What we are doing: We will be using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to create a body of information with which to inform your strategic planning efforts. The SWOT analysis will help the committee get a broad view of the factors that affect the National Nexus Program's ability to successfully achieve its purpose. Those factors are:

- **Strengths:** characteristics of the program that give it the ability to succeed in fulfilling its purpose.
- **Weaknesses:** are characteristics of the program that create barriers or make it difficult to fulfill its purpose.
- **Opportunities:** *external* chances to improve the program's performance in the current environment.
- **Threats:** *external* elements in the environment that could make it difficult for the program to fulfill its purpose.

Each of these factors should be considered with the mission of the Multistate Tax Commission and of the National Nexus Program in mind. The focus of the commission's work is on taxes that have an interstate impact (income and sales). The Commission has adopted the following mission statement:

The Multistate Tax Commission is an intergovernmental state tax agency. Its mission is to:

- Achieve fairness by promoting compliance and consistent tax policy and practice; and to
- Preserve the sovereignty of state and local governments over their tax systems

The current charter for the National Nexus Program states that:

The purpose of the National Nexus Program is to encourage and facilitate –

- a. Compliance with nexus law by those engaged in interstate commerce;
- b. Cooperation among states regarding development and enforcement of nexus law;
- c. Education of taxpayers and state personnel about nexus; and
- d. Fair and consistent enforcement of nexus law.

(Although you will be crafting a new mission statement for the National Nexus Program, it is likely that mission statement will be reflective of the charter's purposes.)

Please think about both the commission's mission and the program's purposes, and come prepared to share your perspective on these questions:

STRENGTHS: What are the strengths of the National Nexus Program today—what qualities or characteristics make it successful in achieving its purpose?

WEAKNESSES: What does the National Nexus Program do today that impairs its ability to fulfill its purpose? Are there internal challenges or barriers to effectively accomplishing its purpose?

OPPORTUNITIES: What is happening in the world of state tax administration that the National Nexus Program can take advantage of to better fulfill its purpose?

THREATS: What is happening in the world of state tax administration that could undermine the National Nexus Program's ability to fulfill its purpose?