

Application for Multi-State Voluntary Disclosure Multistate Tax Commission National Nexus Program

Instructions

Thank you for your interest in multi-state voluntary disclosure. To apply with respect to sales/use tax or income/franchise tax, please provide an Application for Multi-state Voluntary Disclosure in PDF or Word format for each state to which you wish to apply. Please provide a separate Application for each state. Paper Applications will be accepted, but submission in electronic format is strongly encouraged.

The easiest way to fill this out is to prepare a template electronic version of this Word file, insert information common to all application states, then make copies of the template to create a separate file for each application state; then insert the state-specific information into each state's file. The information you provide will be submitted to the appropriate states without alteration other than to remove contact information and any other identifying information. It is therefore important to limit state-specific information to the applicable state only. Please do not put information regarding more than one state in the same document. Please do not alter the wording of a question.

The information about the applicant's factual circumstances will be incorporated into the voluntary disclosure agreement and the states will rely on this information to evaluate the request for voluntary disclosure. Material omissions or misrepresentations may invalidate the agreement. You may add additional information (few applicants do).

Please send the completed applications in PDF format to Nexus@mtc.gov. You may use your own secure email system or ask to use ours if security concerns you. The telephone number for use of commercial delivery services and for questions is (202) 695-8140.

It is important that you not make any filing, payment, or other contact with respect to the type of tax intended to be disclosed to a state in which you intend to pursue voluntary disclosure. All past due taxes and past due filings will be addressed within the voluntary disclosure process. Anonymous inquiries to customer service personnel of a department of revenue regarding filing requirements, how to compute tax, and similar general information issues are okay.

State Name:

**Application for Multistate Voluntary Disclosure
Multistate Tax Commission
National Nexus Program**

Date:

By submitting this Application, the applicant acknowledges its obligation to supplement, revise, or replace this Application in the event that before execution of the voluntary disclosure agreement by all parties its material circumstances change, or in the event that it becomes aware at any time of any material omission or material error in the information contained herein.

The Multistate Tax Commission has strict policy to protect the identity of all applicants for voluntary disclosure. It will not disclose that identity except to a state with which the taxpayer has a signed contract or to another party at the request of the applicant. The applicant need not remain anonymous to the Commission, but may if it prefers. However, to conduct business the Commission will need at a minimum the name of a contact person and that person's telephone number and email address. The contact person may be an employee of the taxpayer or an outside tax advisor.

Answers to the following questions will likely be the same for all states:

1. Name, telephone, address, and email of primary contact (tax representative or other):
Name, telephone, address, and email of secondary contact (if any):
Name, telephone, address, and email of tertiary contact (if any):

Last digit of taxpayer FEIN:

(The last digit is used to distinguish the applicant from similarly situated applicants while protecting its anonymity. Providing this information is recommended, but optional.)

2. What is the applicant's form of entity (e.g., C corp, Sub S, LLC, LLP, sole proprietorship)?
If the form of entity has changed during the four years immediately preceding the date of this Application, please state the form(s) of the predecessor entities and the approximate periods in which they existed.
3. Has the Federal Employer Identification Number (FEIN) changed during the past four years?
If yes, please briefly describe the circumstance that caused the change.

State Name:

4. What is the applicant's fiscal year-end? If it has changed within the past four years, please list all fiscal year-ends and the applicable time periods.
5. What are the applicant's business activities? Please include a description of the potentially nexus-creating activity. Examples:
 - It manufactures tangible personal property that it sells to end-users through six independent contractors who each spends about five days per year in your state.
 - It sells tangible personal property remotely (internet, catalogue, etc.) to customers in your state and has an affiliation with an in-state physical store. The store and the remote vendor are owned 49% by the same parent company. The physical store accepts returns of the remote vendor's products and uses similar trademarks and trade dress.
 - It is a partner in an LLP that owns real property in your state.
6. Other than as disclosed above, is the applicant an owner, lessor, or lessee of property in the state? Please describe generally. Include both real property, personal property, and intellectual property (e.g., trademarks or patents used in-state).
7. Other than as disclosed above, does the applicant have personnel in the state for any period of time, whether employees, independent contractors, or other representatives? Include all such contacts, even if transitory. Please generally describe their activities, their approximate amount of time spent in the state, and their relationship to the applicant, if not previously described.
8. If not described above, in what other activities does the applicant engage that potentially give rise to nexus?
9. What gives rise to this application for voluntary disclosure? Examples include reliance on erroneous professional advice, acquisition of a non-compliant entity, and a contact from another state regarding the applicant's non-filing status.
10. Has the applicant contacted or been contacted by this state or by the Multistate Tax Commission on behalf of this state regarding its potential liability or filing status for the type of tax sought to be covered by this voluntary disclosure? If so, please give details. Contact prior to commencement of the voluntary disclosure may disqualify the applicant from voluntary disclosure in the contact state.

State Name:

11. Is there additional information that the applicant would like to provide or does it request special terms in the voluntary disclosure contract to address an unusual circumstance? Please describe if so. Answering Yes to this question is uncommon.

12. To assist the MTC in making its voluntary disclosure services available to as many potential taxpayers as possible, please tell us how you came to know of the Multistate Tax Commission's voluntary disclosure program.

State Name:

STATE NAME:

Answers to the following questions will likely vary state:

- A. Which type(s) of tax would the applicant like to disclose? The Multistate Tax Commission assists with disclosures for sales/use and income/franchise taxes (including Hawaii's GET and Washington's B&O). See definitions above.
- B. If the applicant does not propose to settle both sales/use and income/franchise tax obligations, what is the reason that a type of tax is excluded? Possible reasons include application of Public Law 86-272 and making only sales exempt from sales/use tax.
- C. What is your good-faith estimate of the amount of back tax liability over the last four tax years? Please break it out by type of tax. The Commission will generally not process a disclosure for a state when the good-faith estimate for all tax-types over the four years is less than \$500 in that state.
- D. Is the applicant organized under the laws of this state? If the applicant is a natural person, is the applicant a resident of this state?
- E. If this Application concerns sales/use tax, has the applicant ever registered, filed a return, paid interest or penalty, or paid any sales/use tax to this state, other than in the capacity of a consumer paying sales/use tax to a vendor?
- F. If this Application concerns income/franchise tax, has the applicant ever filed a return, filed a request for extension to file, paid any tax, or made any estimated payment with respect to income/franchise tax?
- G. For Iowa, Minnesota, and Utah only: please state in which fiscal year business activities began in the states to which a voluntary disclosure offer is to be made. The answer to this question will not be construed to be an admission of nexus.

State Name:

- H. For Louisiana: please describe all business activities in the state after December 31, 1997; if there were none for any portion of this period please so state explicitly. This information is requested to comply with state constitutional and statutory requirements related to voluntary disclosure; it does not mean that back tax must be paid from this date. The answer to this question will not be construed to be an admission of substantial nexus.
- I. With respect to Utah and Minnesota only, if the applicant makes sales to customers in the state, please indicate the approximate number of sales per year for the last three years and the approximate average value of each sale.
- J. With respect to Utah only, please provide an estimate of the amount of potential tax liability prior to the look-back period that the state would waive. Assume that the look-back period is three years from the date of this Application. Providing this estimate is not an admission that substantial nexus existed.

Please feel free to bring any questions or concerns regarding this application to the attention of the National Nexus Program staff at (202) 695-8140 or Nexus@mtc.gov