Robynn Wilson, Chair of the Income & Franchise Tax Uniformity Subcommittee, asked Shirley Sicilian, MTC General Counsel, to begin discussion on technical amendments regarding the word “sales” in Compact Art. IV. Ms. Sicilian referenced her memorandum of February 10, 2012, which describes this “narrow issue” and distinguishes the two meanings of the word “sales”. Ben Miller stated that it may take some getting used to, but the technical amendment helped to give clarity. Gary Humphrey pointed out that the effort involved in making changes throughout the statute might raise its own risks.

Richard Cram asked if the lack of distinction between “sales” and “receipts” had ever caused problems in the past. Mr. Ben Miller answered that there had been some litigation where states may have conceded on the inclusion in the sales factor of receipts from a transaction simply because it was literally a “sale,” even though it shouldn’t necessarily have fallen within the definition of “sales.” Mr. Ben Miller made a motion to recommend the amendments favorably and the motion passed. (CA, KS, AR, AK, NM, MO, voting aye; ND, OR, voting nay)

The Subcommittee Adjourned.