I. Welcome and Introductions

The following persons attended the meeting, either in person or by telephone, of the Uniformity Committee meeting.

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<thead>
<tr>
<th>Name</th>
<th>State or Affiliation</th>
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<tbody>
<tr>
<td>Michael Mason</td>
<td>AL</td>
<td>Nancy Prosser</td>
<td>TX</td>
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<td>Phil Horwitz</td>
<td>CO</td>
<td>Frank Hales</td>
<td>UT</td>
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<td>Charles Wilson</td>
<td>DC</td>
<td>Andrew Glancy</td>
<td>WV</td>
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<tr>
<td>Ted Spangler</td>
<td>ID</td>
<td>Private Sector</td>
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<tr>
<td>Richard Cram</td>
<td>KS</td>
<td>Todd Lard</td>
<td>COST</td>
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<td>Michael Fatale</td>
<td>MA</td>
<td>John Allen</td>
<td>Jones Day</td>
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<td>Stewart Binke</td>
<td>MI</td>
<td>Dan Robillard</td>
<td>Expedia</td>
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<tr>
<td>Wood Miller</td>
<td>MO</td>
<td>MTC Staff or Consultants</td>
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<tr>
<td>Brenda Gilmer</td>
<td>MT</td>
<td>Joe Huddleston</td>
<td>Elliott Dubin</td>
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<tr>
<td>Lennie Collins</td>
<td>NC</td>
<td>Shirley Sicilian</td>
<td>Cathy Felix</td>
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<td>Mary Loftsgard</td>
<td>ND</td>
<td>Roxanne Bland</td>
<td>Bruce Fort</td>
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<td>Rebecca Abbo</td>
<td>NM</td>
<td>Ken Beier</td>
<td>Jeff Silver</td>
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<tr>
<td>Janielle Lipscomb</td>
<td>OR</td>
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1. Chair, Uniformity Committee
2. Chair, Sales/Use Tax Subcommittee
3. Chair, Income/Franchise Tax Subcommittee

II. Approval of the Minutes of the November 17 – 18, 2008 Meetings

Janielle Lipscomb (OR) noted that both she and Eric Smith attended the meeting of the Income/Franchise Tax Subcommittee. OR moved that the minutes of the November meetings be accepted as amended. The motion was carried unanimously.
III. Public Comment Period

There was no public comment at this time.

(Sales/Use Tax Segment)

IV. Reports and Updates

A. Telecommunications Transaction Tax Project

Richard Cram (KS), Chair, Sales/Use Tax Subcommittee, explained the Subcommittee was tasked by the Executive Committee at the November 2008 meeting to undertake this project. He also informed the Committee that local government groups are joining the discussion; and, that the SSUTA is working on simplifying telecommunications transactions taxes. They have until 2012 to accomplish their task. Scott Peterson of the Governing Board of the SSUTA will work with the Subcommittee on this project. Mr. Cram noted the Subcommittee will need guidance from the Executive Committee on how to proceed with working with SSUTA.

B. Accommodations Intermediaries Project

Mr. Cram informed the Committee that the language of the Model Statute required only minor cleanup of the language, and optional example is provided if states want to include it in their statutes.

KS moved that the Uniformity Committee approve the Accommodations Intermediaries Project and present it to the Executive Committee for their approval. There were 13 yeas votes and TX abstained.

C. MTC Policy Statements on Computer Software and Telecommunications Taxes

The definitions in each of these policy statements were compared to the SSUTA definitions. Action was deferred until the July meeting in order to give the Subcommittee time to discuss the issues.

(Income/Franchise Tax Segment)

Wood Miller (MO), Chair, Income/Franchise Tax Subcommittee, gave the report of the Income/Franchise Tax Subcommittee.

V. Reports

Mr. Miller informed the Committee that his Subcommittee was working on three projects: amending the Model Financial Institutions Regulations, Amending the Section 18 Model Regulation, and a project on how to account for the income of non income tax paying members of a combined group.
A. Financial Institutions Project

Mr. Miller told the Committee that the working group was discussing sourcing of receipts issues and some property factor issues. The working group presented its recommended policy direction on each of the issues and also recommended that the model continue to focus on financial instructions rather than financial activities.

B. Amending Section 18

Mr. Miller explained to the audience that the subcommittee was discussing three (3) options, but no definitive agreement had been reached. They will continue to work on this project.

C. Inclusion of the Income of Non-corporate Income Tax Payer in an Combined Group

Mr. Miller noted that the subcommittee is still in the early stages of the project.

D. New Project: Amending the Model Addback Statute

Mr. Miller explained that the current statute does not address the issue of captive REITs for separate entity states adequately. The subcommittee will discuss the issues further at the July meeting.

VI. Executive Director’s Report

Joe Huddleston, MTC Executive Director, commented that state economies and therefore, state fiscal conditions were worsening.

He informed the Committee that the Uniform Law Commissioners (ULC) is still studying the possibility of amending UDITPA. They are currently addressing procedural questions. The MTC would continue with the project regardless of what actions are taken by the ULC. The commissioners of 18 Compact member states asked the ULC to continue with the project. Mr. Huddleston told the Committee members to watch the ULC website if they wanted to know what issues were important.

VII. Roundtable Discussion

AL reported that it is awaiting a decision from the U.S. Supreme Court on the VFJ (addback) case. CO reported that it has adopted a single sales factor apportionment method for all C corporations; and, has introduced the factor presence nexus standard. MA reported that combined reporting started on January 1 as did “check the box” rules. Also: pass-through entity withholding has started; and SSUTA is an issue. They lost the Comcast case and the Capital One case may come up for cert. NC reported that the Governor has not backed combined reporting. ID reported that it is moving toward participation in the Streamlined Sales Tax Project. MO reported that bills have been introduced to adopt combined reporting and move away from single sales factor. The J. Wolf Imports case is pending. MI reported that it will require combined reporting for its gross receipts tax. OR also reported major budget shortfalls. To close the budget
gap, OR will include REITs and REMICs in consolidated reports, impose interest addback. ALL: Shirley Sicilian reported that the Valdez v Polar Tanker decision is pending. Ted Spangler (ID) noted that depending on the outcome of this case, the Uniformity Committee may need to work in this area. CA: Bruce Fort stated that the Hyatt case is headed for the Nevada Supreme Court.

VIII. New Business

The topic of discussion centered on how many physical meetings per year should the Uniformity Committee conduct? Currently, the Committee physically meets three times per year. It was generally agreed that reducing the number of physical meetings would slow down the work of the Committee. Ted Spangler (ID) remarked that remote participation has been less than satisfactory. NM suggested that the Committee meet two times per year and hold conference calls in between. Another suggestion was to investigate the possibility of holding webinars. No decision was reached.

IX. Adjournment

The meeting was adjourned at 5:00 P.M. CST.