



To: Members of MTC Standing Committees
From: Cory Fong, Chair, Strategic Planning Steering Committee
Date: July 19, 2011

Subject: Preparing for Environmental Scan

Steve Cordi, MTC Chair, has appointed a committee to begin developing a strategic plan for the MTC. The first phase of our effort involves an environmental scan. On Monday, July 25, and Tuesday, July 26, as part of our annual meeting, you will be asked to provide your observations and insights for the environmental scan. Please review the information in this memo before you come to Whitefish.

What we are doing: The Strategic Planning Steering Committee is conducting a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to create a body of information on which to base a strategic planning effort. The environmental scan process is being designed to obtain input from MTC staff; MTC committees; state tax commissioners; MTC's business partners; taxpayers and other stakeholders. The SWOT analysis will help the commission get a broad view of the factors that affect the commission's ability to successfully achieve its purpose. Those factors are:

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

Each of these factors should be considered with the purpose of the Multistate Tax Commission in mind. The focus of the commission's work is on taxes that have an interstate impact (income and sales). According to the Multistate Tax Compact, the commission was created for the following purposes:

1. Proper determination of tax liability for multistate taxpayers by seeking full accountability for tax reporting to the states and equity in administration of division of income rules that apply to multistate taxpayers
2. Promoting uniformity or compatibility of state tax systems
3. Promoting taxpayer convenience and compliance with state tax laws
4. Avoiding duplicative taxation of multistate taxpayers by the states

Please think about the commission's purpose, and come prepared to share your perspective on these questions:

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

WEAKNESSES: What does the commission 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 MTC can take advantage of to better fulfill its purpose?

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