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Sent: Monday, November 25, 2013 12:37 PM

To: Shirley K. Sicilian; Rebecca Abbo; Stewart Binke; Cram, Richard; gary.d.humphrey@state.or.us; Wald, Donnita

Cc: Elizabeth Harchenko; Lila D. Disque

Subject: RE: Strategic Planning - Suggestion for the Interview Phase

Thanks for the information Shirley. We could look at surveying states on all 11 and it would be interesting, but I wonder if we can get the information we need by surveying states on a couple where there are lots of states that have adopted language similar to what MTC has and a couple where states have either not adopted the MTC model or adopted something so different that the states said it wasn't similar to the MTC model. E.g., pass through entity withholding and definition of business income appear to have a high adoption rate while proposals like disclosure of reportable transactions and a special rule for telecommunications and ancillary service providers does not have a high adoption rate.

For the questions we ask, here are some thoughts on the proposals:

Possible questions for in-depth state survey about adoption of specific MTC model statutes or regulations.

Preliminary inquiry:

Who in your state is most knowledgeable about the adoption of tax regulations or states?

Who would have first-hand knowledge about consideration of regulations or statutes adopted or considered for adoption during 2000-2012?

I propose adding a couple more in the preliminary area (some of which are basically covered in the specific questions below but asked twice):

Does your state have a process for review of MTC proposed model regulations and laws? If so, what is the process and who are the key participants? If there is no formal review process within the state, who decides if an MTC model is sent to either the Executive or Legislative branches for consideration?

Has your state recommended issues involving uniformity in taxation for consideration by the MTC? Can you provide more information on why your state has or has not recommended issues? [This question may be a little outside what we are after right now, but I am curious how good the states are at with bringing proposals to the MTC.]

What do we want to know about MTC models that have been adopted by a substantial number of states?

How did your state decide to adopt Model "X"?

Who decided whether to adopt? [I think it would also be helpful to ask if the tax agency proposed the concept.]

Did your state participate in developing the MTC model?

Did your state need a statute or regulation on this topic when it was adopted?

☐ What other information was considered when Model “X” was adopted in your state? [An option is to combine this question with the previous one and ask something like; What were the primary drivers leading to adoption of model “X” in your state?]

☐ Ask for a general description of the process the state goes through when considering whether to adopt a statute or regulation on a particular tax topic.

☐ Was the taxpayer community involved during the adoption of Model “X”? If so, what was the nature of that involvement?

What do we want to know about MTC Models that have NOT been adopted by a substantial number of states?

How did your state decide not to adopt Model “X”?

☐ Was your state aware of the MTC model?

☐ Was the model actively considered and rejected? [I think it would also be helpful to ask at what level the model was rejected (e.g., within the agency, Governor’s Office, Legislature).]

☐ Did your state participate in developing the MTC model?

☐ Did your state already have a statute or regulation on this topic before the MTC model was developed?

☐ Were there any specific issues that prevented your state from adopting Model “X” or considering it for adoption?

☐ Ask for a general description of the process the state goes through when considering whether to adopt a statute or regulation on a particular topic.

☐ Was the taxpayer community involved during consideration of Model “X” for adoption? If so, what was the nature of that involvement?

Thank you for coming up with the questions to review and talk with you all at 3 pm EST. I can only commit an hour for today’s meeting, so wanted to suggest those ideas while I was thinking of them.

Gary Humphrey

From: Shirley K. Sicilian [<mailto:SSicilian@mtc.gov>]

Sent: Wednesday, November 20, 2013 8:10 PM

To: Rebecca Abbo; Stewart Binke; Richard.Cram@kdor.ks.gov; gary.d.humphrey@state.or.us; Wald, Donnita

Cc: elizharchenko@comcast.net; Lila D. Disque

Subject: Strategic Planning - Suggestion for the Interview Phase

Hi All –

I struggled with our assignment to choose 2 of the 11 “survey models” for in-depth interviews. I struggled to even identify a criteria for making the choice. So I spoke with Elizabeth, and suggested a possible alternative approach. She recommended that I submit this suggestion to you before the call, so that you could consider it in advance. It is:

- Use the complete list of 11 models that were the basis of the survey. For each compact state, ask to talk with a person or the people who are the most knowledgeable about the history of adoption of regulations and statutes in the state – the person/people who decide which regulations to promulgate and which statutes to propose. This may not be the Uniformity Committee representative, it may be someone who doesn’t know much at all about the MTC, and it might be someone who has retired.
- Ask that person about adoption or consideration of adoption for each MTC model that was recommended during the time frame. The person may not even be aware of the model. But if the person is aware of the model, use the question list to guide the discussion.
- Each member of the project team would be responsible for getting the information for their own state and two other compact states.
- Project team members would have a couple of months to make their calls and report back to the project team.

Just a thought –

Shirley

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