

## MEMORANDUM

To: Christy Vandevender, Chair, Nexus Committee

From: Richard Cram

Date: November 16, 2020

Re: Tracking status of voluntary disclosure matters and back tax payments

Since mid-March, 2020, due to the COVID-19 pandemic, MTC Nexus Program staff handling voluntary disclosure applications have been working remotely and communicating with taxpayers and participating state voluntary disclosure staff electronically. When MTC staff receive state-signed voluntary disclosure agreements from participating state voluntary disclosure staff, MTC staff send those electronically to the taxpayer and advised the taxpayer to send the taxpayer-signed agreement, registration, returns/spreadsheets and back tax payments directly to the state voluntary disclosure staff, rather than sending those items back to MTC staff, because MTC staff no longer have regular access to hard copy documents delivered to the MTC office via U.S. Mail or commercial delivery service. MTC staff currently request that taxpayers notify MTC staff when they have sent the required documents and payments to the state, as well as the amount of the payments. MTC staff can then close the file on a voluntary disclosure matter after receiving notice that the taxpayer has sent to required documents and payments to the state. MTC staff also tracks the revenue received from voluntary disclosure matters, in order to track the performance of the Nexus Program and to have that information available to states upon request.

MTC staff have had mixed success in receiving notification from taxpayers that they have sent the required documents and tax payments directly to the state, resulting in MTC staff being unable to close files that should be considered closed and accurately track back tax payments that have been made.

MTC staff ask that state voluntary disclosure staff report to the Director those voluntary disclosure matters that have been closed since July 1, 2020, including the MTC # of the closed matter, date the matter was closed, and back tax payments received by amount and tax type. This will enable MTC staff to maintain accurate records. MTC staff also ask that those reports continue periodically thereafter.