



**MULTISTATE TAX COMMISSION**

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*Maximizing the synergies of multi-state tax cooperation*

## **National Nexus Program (NNP) Director's Report for FY 2017 to Date**

**March 9, 2016**

**Springhill Suites San Diego Downtown/Bayside**

**900 Bayfront Court**

**San Diego, California 02101**

**Eureka**

**1850**

### **Multistate Voluntary Disclosure Program (MVDP)**

This fiscal year results to date (July 1, 2016 to February 21, 2017) are very encouraging—so far on pace to equal or possibly exceed the outstanding results for FY 2016. The average value of disclosures to date has increased from last fiscal year, as well.

- Nexus states' collections: \$14,537,890 (\$22,317,942 in all FY 2016)
- Nexus states' executed contracts: 280 (488 in all FY 2016)
- Nexus states' average contract value: \$ 51,921 (FY 2016: \$46,747)

These amounts include funds received by the Commission. Interest on back tax paid and the value of a new taxpayer are not included.

### **Strategic Planning**

The Nexus Committee is currently working on the strategic planning project to improve the information on the Multistate Voluntary Disclosure Program (MVDP) website for clarity and ease of use. The Nexus Committee Work Group made several recommendations, which were approved at the Nexus Committee's July 25, 2016 meeting in Kansas City, Missouri. These included highlighting the visibility of the MVDP on the website with a sliding banner, substantial simplification and revisions to the application and instructions, the description of the Nexus Program, and the standard agreement form, as well as elimination of duplicative information. The Work Group also recommended

publishing the participating states' lookback periods on the Nexus Program website and developed a draft document disclosing participating states' lookback periods, which the Nexus Committee approved at its December 13, 2016 meeting in Houston, Texas. The draft state lookback period spreadsheet was circulated to the participating states to confirm its accuracy. The Nexus Committee met by teleconference on February 21, 2017 and approved the final state lookback period spreadsheet for publication on the Nexus Program website, which has now been accomplished.

## **Membership**

There are currently thirty-eight participating states (including the District of Columbia) in the National Nexus Program, with Delaware having joined at the beginning of this fiscal year. Commission staff continues to reach out to non-members.

## **Outreach**

Richard Cram presented on sales tax basics for non-profits organizations and the MVDP to the GWSCPA in Washington, D.C. on October 11, 2016. Richard presented on income tax nexus developments at the NYSSCPA New York State Taxation Conference in New York City on November 8, 2016. He presented on MTC activities nexus law developments on January 12, 2017 to the NYU State and Local Tax Study Group in New York City. He participated on a panel discussing factor presence nexus at the ABA SALT Committee meeting in Orlando, Florida on January 20, 2017. Richard presented on tax nexus law developments and the MVDP on February 16, 2017 to the Cornell State and Local Tax Discussion Group in New York City. He will be participating on a panel discussion of anti-*Quill* legislation and litigation in the states at the ABA Tax Section meetings in New Orleans, Louisiana on March 21, 2017. He will be presenting on nexus and compliance issues for Amazon FBA sellers and the MVDP on March 22, 2017 at the Prosper Show in Las Vegas, Nevada.

Participating states are urged to put a link to the NNP on their voluntary disclosure web pages to increase the visibility of the MVDP.

## **Streamlined Sales Tax Voluntary Disclosure Project**

Richard attended the State and Local Advisory Council (SLAC) and Streamlined Sales and Use Tax Agreement, Inc. (SSUTA) Governing Board meetings in Atlanta, Georgia on October 12-14, 2016. Work continued on the project to require disclosure of how member state voluntary disclosure programs will treat registration of a new remote retailer in the SSUTA centralized registration system, which registers that retailer in the member states for sales/use tax, when that retailer may also wish to apply for voluntary disclosure

in those states. The project is intended to encourage states to allow sellers to register through the centralized registration system without this jeopardizing eligibility for voluntary disclosure. The SLAC workgroup has developing a draft “disclosed practice” to add to the taxability matrix for member states to indicate how a retailer’s registration in the SSUTA centralized registration system may affect eligibility for voluntary disclosure in that state. Richard participated in the development of the disclosed practice. The SLAC met on March 6-7, 2017 in Tucson, Arizona to consider recommending this proposal to the Governing Board for approval at its next meeting.

### **Nexus School**

NNP staff co-taught a Nexus School in Montgomery, Alabama on November 30 and December 1, 2016. Please let a member of the Commission staff know if your state would like to host a school.

### **State Tax Amnesty Programs**

Pennsylvania’s amnesty program will commence April 21, 2017 and end June 19, 2017.

The NNP posts on its web page a list of upcoming and current state tax amnesties. Please let NNP staff know if you would like the Commission to post your state’s amnesty program.

### **Staffing**

The NNP presently has three full-time staff members and one part-time staff member: Richard Cram, Director; Diane Simon-Queen, Voluntary Disclosure Program Manager; Michelle Lewis, Paralegal; all full-time, and Eva Wu, Administrative Assistant, who is part-time and a college student, working eight-to-sixteen hours per week, assisting with processing voluntary disclosure applications, as well as filing and data entry work.

Richard Cram  
Director, National Nexus Program