



MULTISTATE TAX COMMISSION

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To: The Executive Committee  
From: Christy Vandevender, Nexus Committee Chair  
Re: Nexus Committee Activities 1<sup>st</sup> Quarter, FY 2021  
Date: November 20, 2020

### **Nexus Committee Report for 1<sup>st</sup> Quarter, FY 2021**

The Nexus Program 1<sup>st</sup> Quarter, FY 2021 results (July 1, 2020 through September 30, 2020) are provided below.

- Nexus states' collections: \$5,179,483 (\$21,551,287 FY 2020)
- Non-Nexus states' collections: \$0 (\$0 FY 2020)
- Nexus states' executed agreements: 88 (544 FY 2020)
- Nexus states' average contract value: \$58,858 (FY 2020: \$39,616)

The above amounts include checks received by the Commission or amounts paid by the taxpayer directly to the states and reported to the Commission. Interest on back tax paid and the value of a new taxpayer are not included. Applications continue to increase in the post-*Wayfair* era. The Commission received applications from 208 taxpayers in calendar year 2019. For calendar year 2020 to date (as of September 30 2020), 240 taxpayers have so far applied. Most of the applications are based on sales/use tax economic nexus.

The Nexus Committee met virtually on July 28, 2020 and November 16, 2020.

The Committee considered and approved at the July 28, 2019 meeting: (1) clarification to the state voluntary disclosure lookback period chart posted on the MTC website to indicate that for taxpayers coming forward for voluntary disclosure that have only sales/use tax economic nexus and no physical presence in the state, the state's sales/use tax lookback period would commence on the date that the state implemented sales/use tax economic nexus; and (2) an amendment to

the Standard Agreement to accommodate states encouraging taxpayers to submit back tax returns and payments electronically directly to the state. Multistate voluntary disclosure applications continue to steadily increase since *Wayfair*, primarily for sales/use tax economic nexus, and back tax collections were \$21,551,287 for FY 2020, a substantial increase over FY 2019 results (\$14,695,429). The meeting was well attended with 92 attendees.