



MULTISTATE TAX COMMISSION

To: Executive Committee
From: Greg Matson
Date: April 16, 2018
Subject: Report of the Executive Director

This report is a summary of the Commission's organizational and staff activities for the period July 1, 2017, through March 31, 2018 (unless otherwise noted).

I. Programs & Activities

A. Joint Audit Program

The Joint Audit Program has completed one corporate income tax audit and parts of seven other corporate income tax audits through February 28, 2018. The program also completed two sales tax audits and parts of five other sales tax audits for this same period. There are 22 income and 31 sales tax audits in progress.

The program has proposed assessments of \$8,610,397 for the completed corporate income tax audits and \$1,810,815 for the completed sales tax audits for fiscal year 2018.

The following chart summarizes hourly data for completed audits through February 28, 2018, for fiscal year end June 30, 2018:

	Income & Franchise	Sales & Use	Total
Total Audits	1	2	3
Total States Audited	18	20	38
Total Hours	2956	2837	5793
Average Hours per State	164	142	152

The Audit Committee met for the first time in fiscal year 2018 on July 31, 2017, in Louisville, Kentucky. During this meeting the committee discussed the progress of current audits. The committee also reviewed the companies recommended for sales tax audits and voted to add eight of those companies to the sales tax audit inventory.

The committee met again on November 15, 2017, in New Orleans, Louisiana. During this meeting, Bruce Fort, Commission counsel, gave a presentation on recent happenings in the state and local tax area. This was very well received and may become a semi-regular part of the committee meeting. The committee also discussed the progress of

the current audits, including the possible early closure of one audit. As usual, the committee ended with the state round table discussion.

In conjunction with the Commission's all-staff retreat, training for audit staff was held on August 16 and 17, 2017.

B. National Nexus Program

Multistate Voluntary Disclosure Program

The Third Quarter FY 2018 results (July 1, 2017, through March 31, 2018) are provided below.

- Nexus states' collections: \$ 8,858,266 (\$19,664,097 in all FY 2017)
- Nexus states' executed contracts: 2,781 (431 in all FY 2017)
- Nexus states' average contract value: \$ 3,185 (\$45,624 in FY 2017)

The above amounts include funds received by the Commission or paid by the taxpayer directly to the states and reported to the Commission. Interest on back tax paid and the ongoing value of a new taxpayer are not included. The number of executed contracts includes those from the online marketplace seller voluntary disclosure initiative, most of which involved waiver of back tax liability, as well as those from the ongoing Multistate Voluntary Disclosure Program, which do require payment of back taxes for the state lookback period. This accounts for the much higher number of executed contracts and the much lower average contract value. Attached is a spreadsheet containing an estimate of the annual potential future revenue attributable to contracts entered into as a result of the online marketplace seller voluntary disclosure initiative. Based on the back tax liability estimates provided in the applications of taxpayers executing agreements and registering with the states under the initiative, it should result in an estimated \$51,058,614 in annual potential future revenue for the participating states.

Online Marketplace Seller Voluntary Disclosure Initiative

At its July 31, 2017 meeting in Louisville, the Nexus Committee approved moving forward with the online marketplace seller voluntary disclosure initiative. A total of 25 states, including D.C., participated in the initiative. Most of the participating states offered waiver of back tax liability for both sales and use tax and income/franchise tax to online marketplace sellers with nexus as a result of inventory or other nexus-creating activity by the marketplace facilitator on behalf of the seller, if the seller registers to collect sales and use tax and file income/franchise tax returns prospectively. Four of the participating states required lookback periods. The initial application period was set for August 17 to October 17, 2017, with sellers to be registered to collect sales and use tax by December 1, 2017, and commence filing returns and paying tax due for income/franchise tax. On October 11, 2017, the Nexus Committee conducted an emergency meeting by teleconference to address requests to

extend the deadlines. The committee extended the application deadline to November 1, 2017, and changed the registration deadline to the later of December 1, 2017, or 30 days after the seller receives notice that the state has signed the voluntary disclosure agreement. By the end of the November 1 application period, voluntary disclosure applications from a total of 852 online marketplace sellers were received. The initiative is now in the final stages of completion.

Membership

There are currently thirty-nine participating states (including the District of Columbia) in the program, with Rhode Island having most recently joined effective October 1, 2017. Commission staff continues to reach out to non-member states.

Outreach

A substantial number of inquiries were received regarding the online marketplace seller voluntary disclosure initiative. Program staff engaged in lively and spirited discussions with business owners and taxpayer representatives over the impacts and ramifications of the initiative.

Staff continues to urge states to put a link to the program on their voluntary disclosure web pages.

Nexus Schools

Program staff co-taught a Nexus School in Atlanta, Georgia, on September 20-21, 2017, hosted by the Georgia Department of Revenue. Please let a member of the Commission staff know if your state would like to host a Nexus School.

Amnesties

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

Staffing

The program presently has four permanent full-time staff members: Richard Cram, Director, Diane Simon-Queen, Voluntary Disclosure Program Manager, Michelle Lewis, Paralegal, and James Lee, hired on March 2, 2018, as Program Specialist. Starting in October 2017, and through late February 2018, Renee Lee, Paralegal, Thomas Emberger, a temporary employee, and James Lee, then a temporary employee, worked full-time for the Program on the online marketplace seller voluntary disclosure initiative. Nianci Lyu, a temporary employee, worked full-time on the initiative during October and November 2017. Angie Molina, a senior at Georgetown University, worked part-time for the Nexus Program beginning July 5, 2017, ending in October 2017.

C. Legal Division

The legal division staffs two standing committees: Uniformity and Litigation. The division also holds regular state tax attorney teleconferences; participates as speakers at conferences, symposiums, and institutes; and teaches the Commission's corporate income tax and nexus training courses. The division provides individual state support on request by filing amicus briefs in state and federal courts; consulting in litigation matters; and reviewing draft statutes, regulations, and legal briefs. It also provides legal support for the Commission's audit program, training division, and general administration, including analysis of federal legislation affecting state taxation.

Uniformity Work

The legal division has staffed the following uniformity projects:

- Model Sales and Use Tax Notice and Reporting Statute
- Partnership Informational Project/Revised RAR Model Statute
- Section 18 Regulatory Project

The legal division has worked toward helping the Uniformity Committee complete three uniformity projects—the Model Sales and Use Tax Notice and Reporting Statute, the Section 18 Regulatory Project, and the State RAR/Partnership Audit Model Statute. The work group has completed its drafting of the Model Sales and Use Tax Notice and Reporting Statute, and that draft model will be before the Uniformity Committee for consideration at the April meeting. The Section 18 Regulatory Project has gone to public hearing and will soon be ready for a decision regarding whether to proceed to a Bylaw 7 survey. The legal division continues to closely follow developments regarding federal partnership audit and adjustment regulations and to provide informational updates and discussions.

Litigation Committee Work

The legal division has supported the Litigation Committee by providing a teleconference meeting platform for informal working groups concerning state *amicus* briefing, and more recently, a working group studying the effects of federal tax changes on the taxation of multinational business entities, as further discussed below.

At the 2017 Annual Meeting, the legal division supported the committee by creating and organizing an all-day training session for state attorneys. The session focused on brief-writing and addressed topics ranging from persuasive writing skills to proper formatting. The training was very well received, and the legal division has been asked to consider putting on similar events in the future. The legal division also hosted a very well-received appellate practice seminar in July of 2017 and a moderated a panel discussion on equitable apportionment theory in early August 2017.

Legal Assistance to States

Generally, the legal division consults with counsel in individual states regarding draft legislation, draft regulations, and significant on-going litigation strategy and briefs. In past months, market-based sourcing and the *Quill* challenge cases were the main issues to arise. The legal staff filed an *amicus* brief in the Texas Compact case, *Graphic Packaging v. Hegar*, before the Supreme Court of Texas, Docket No. 15-0669. The legal division also has filed two *amicus* briefs in support of South Dakota in the *Wayfair* case (at the petition and merits phases of the case). The Commission hosted two teleconferences to discuss how the recent federal tax reform will affect state taxation, for which the legal division provided subject-matter expertise and technical support. The first call, shortly after the bill was passed, addressed the general changes to federal taxation. The second call, hosted by Bruce Fort, concerned multinational business enterprises (MNEs). The MNE discussion focused on the new one-time transition tax on the accumulated earnings of controlled foreign corporations (CFCs) and the recurring Global Intangibles Low Tax Income (GILTI) tax. The Commission also hosted a teleconference regarding how to argue an equitable apportionment of income appeal in the context of a pending case before the Minnesota Supreme Court. The teleconferences have been well-attended.

Commission Support

The legal division provides support for the Commission's general administration by addressing open meetings issues, maintaining confidentiality policies, handling records requests, researching and making recommendations for record retention policies, resolving lease disputes, reviewing contracts, and filing corporate registrations and reports. This quarter, legal staff also provided support to the Joint Audit Program on various matters and to the National Nexus Program as it completed its online marketplace seller voluntary disclosure initiative. Commission staff continues to create and implement new training systems to more efficiently meet the individual needs of the member states.

D. Policy Research

The policy research director supports Commission efforts in addressing federal legislation with implications for state and local taxation, monitors state adoption of Commission model statutes, regulations, and guidelines. He is a member of the National Tax Association Advisory Board.

The policy research director is writing a short summary on the impact of federal adoption of territorial taxation on state business income tax bases. He organized and acted as moderator for a session on infrastructure spending and means of financing infrastructure at the 110th Annual Conference of the National Tax Association in Philadelphia, Pennsylvania, November 9 through 11, 2017. At that conference, he also discussed two papers on the theory of optimal taxation. He is updating information on current economic conditions and trends in state and local government finance for the Commission's annual meeting this summer.

The policy research director participated in the following periodic local or online economic forums and seminars:

- National Association for Business Economics symposium on transfer pricing – July 18 through July 20
- CQ webinar on federal tax reform – September 7
- Federation of Tax Administrators Revenue Estimating and Research Conference, Omaha, Nebraska, September 23 through 28, and presented a paper on long-term trends in state corporate income taxes
- Tax Economist Forum Breakfast: Jane Gravelle, Congressional Research Service. Analysis of House Tax Reform Plan: A Better Way; at Ernst & Young
- Tax Economist Forum Breakfast: Modeling the Internal Revenue Code in a Heterogeneous General Equilibrium Framework – October 4
- Tax Policy Center discussion with Kevin Hassett, Chair, Council of Economic Advisors, on economic impact of federal tax reform – October 5
- Moody's webinar on the economics of tax reform – October 6
- Tax Economist Forum Breakfast: Incidence of the Corporate Income Tax – October 18
- REMI webinar on economics of tax reform – October 31
- National Tax Association Annual Meeting, Philadelphia, PA: organized and moderated a session on infrastructure spending and financing and discussant for two papers on the theory of optimal taxation infrastructure – November 9
- REMI luncheon on possible impact of federal tax reform on the states – November 30
- Tax Economist Forum Breakfast: Trends in the Distribution of Income – December 13
- Tax Foundation webinar on tax reform and the states – January 9
- Tax Economist Forum Breakfast: Trends in Income Tax Rates over Time – January 17
- Urban Institute seminar on tax reform and the impact on the states – January 24
- Tax Economist Forum Breakfast on state and local excises as substitutes for income, property, and sales taxes – January 31
- Institute for International Economic Law seminar on protection of tax base in internationally competitive environment – February 2
- REMI webinar on tax reform and the states – February 6
- Brookings Institution Seminar on the new business tax landscape – February 14
- Consulted with PEW Foundation staff for the Fiscal Federalism Initiative project on the relationship between federal corporate income tax and state corporate income tax – February 14
- Tax Economist Forum Breakfast on dynamic scoring – February 28
- REMI webinar: Immigration and the Economy – March 6

- Tax Economist Forum Breakfast on tax reform and capital investment – March 14
- REMI luncheon: Tariffs and the Economy – March 29

The policy director also interviewed candidates for the policy research internship for the summer of 2018. The position has been offered to Parker Armstrong, University of New Hampshire.

E. Legislative Division

The legislative counsel and director:

- Monitors and analyzes federal legislation that affects states in collaboration with the director of policy research and the legal division;
- Coordinates Commission responses to federal legislation, including joining with the efforts of other organizations, drafting policy positions, and meeting with legislative staff;
- Educates congressional members and staff about the negative effects of preemption generally and with respect to specific bills;
- Answers questions from member states about federal legislation;
- Monitors state legislation, identifies trends, and consults with states when requested;
- Maintains relationships with other multistate and governmental organizations; and
- Represents the Commission on state and federal legislation to policy makers and the public.

The legislative counsel created and maintains a public page on the Commission's website to view legislative reports. It may be found on the Commission's web site under the tab *Resources* and then by clicking on *Legislation* from the resulting drop down menu, which then provides an option of viewing either *State Bills* or *Federal Bills* and allows for searching for a bill by number or viewing a list that can be sorted various ways. The website updates every two hours for federal bills and daily for state legislation and contains reports, summaries, and analyses of federal and state bills.

The legislative counsel continues to proactively develop relationships with federal legislators and staff, including the four new members on the House Judiciary Committee, which has jurisdiction over all state-tax legislation. Legislative counsel has also maintained and strengthened relationships with organizations such as the National Governor's Association (through activities such as attendance at weekly meetings of state representatives in Washington) and the Congressional Budget Office. He continues to collaborate with the Federation of Tax Administrators and the National Conference of State Legislatures Executive Committee Task Force on State and Local Taxation. Legislative counsel also has fostered relationships with congressional staffers who are involved in the remote commerce use tax collection debate, which has helped understand where the political pressure points

are and the probabilities of certain approaches to remote collection being adopted, as well as letting those staffers know that the Commission is available to provide technical comments and assistance when requested.

A substantial amount of time and effort has been spent on monitoring the effects on states resulting from federal tax reform. Tax reform became law as P.L. 115-97 (informally the *Tax Cuts and Jobs Act*) on December 22, 2017, with an effective date of January 1, 2018. Amendments to the federal code have caused uncertainty for states and required them to quickly attempt to understand how the changes affect each state's tax policies. Interest deductions, treatment of foreign-source income, taxation of pass-through income, expensing of capital goods, and myriad other changes must be considered. States appear to be more or less affected by the nature and extent of their conformity to the Internal Revenue Code. States are working hard to identify the conformity provisions to the Code to be retained or discarded and to look at other changes to state law to mitigate resulting tax increases or decreases. The impact on states of tax reform is a critical issue for the Commission and states.

The *Consolidated Appropriations Act, 2018*, H.R.1625, P.L.115-141, wrapped all twelve appropriations bills into a single bill, commonly called the omnibus spending bill. As “must pass” legislation, this was an ideal vehicle to insert state preemption bills that otherwise would have had trouble passing. Only one bill of concern made it into the omnibus—the MOBILE NOW Act of 2017. It was slipped into the omnibus without debate as a provision of a larger bill regarding wireless spectrum that also snuck into the bill. Representative Kristi Noem (R-S.D.) worked doggedly to insert language regarding remote collection of use tax, probably close to the text of the *Remote Transactions Parity Act*, which she sponsors. Word has it that leadership seriously considered her proposal but in the end did not include it.

Below are bills that legislative counsel is following:

- *MOBILE NOW Act of 2017*, P.L. 115-141, sect. 620, preempts state tax authority over certain mobile wireless communications. Legislative counsel does not know how far the preemption extends because the definition of preempted activity is unclear. It requires original jurisdiction in federal district courts notwithstanding the Tax Injunction Act. Legislative counsel is studying the possible ways that it could be applied to taxes not the subject of the bill and to future technology.
- *Remote Transactions Parity Act* (H.R.2193); referred to Subcommittee on Regulatory Reform, Commercial And Antitrust Law of the House Committee on the Judiciary; no hearings or action since referral on May 5, 2017. The provisions of this bill were seriously considered for inclusion in the omnibus spending bill but excluded in the end. This bill will not go away. The sponsor and others believe that it is critical to have a federal framework for use tax collection in place before the U.S. Supreme Court decides *South Dakota v. Wayfair*.
- *Marketplace Fairness Act of 2017* (S.976); referred to Senate Committee on Finance; hearing held by Senate Committee on Banking, Housing, and Urban Affairs. Permits

member states of the Streamlined Governing Board (SGB) to require remote vendors to collect use tax on behalf of their state's citizens; allows states not members of the SGB to require remote vendors to collect use tax on behalf of their citizens when they enact enumerated simplifications to their sales and use tax laws. This bill passed the Senate by a large margin in a previous Congress but made no headway in the House. Some elements of this bill may have been part of a compromise that Representative Noem and others unsuccessfully tried to insert into the omnibus spending bill.

- *No Regulation Without Representation Act of 2017* (H.R.2887); referred to the House Committee on the Judiciary. This bill would prohibit a state from enacting any law, regulation, or policy that affects any other state or its residents. It applies beyond tax law. It is so absurd and sweeping that it is unlikely to advance.
- *Mobile Workforce State Income Tax Simplification Act of 2017* (H.R.1393); approved by the House in a 'suspension of the rules' voice vote ('suspension' is supposed to be reserved for uncontroversial bills). H.R.1393 is pending in the Senate Committee on Finance. A subcommittee of Senate Finance held hearings on the Senate companion bill, S.540.
- *Mobile Workforce State Income Tax Simplification Act of 2017* (S.540); referred to Senate Committee on Finance. See H.R.1393, above. No further action is likely this Congress.
- *End Discriminatory State Taxes for Automobile Renters Act of 2017* (H.R.2024 and companion S.1159); the House Committee on the Judiciary referred it to a subcommittee on May 1, 2017, where there has been no action; in the Senate it resides without action in the Committee on Finance. The bills would prohibit taxation of automobile rentals at a rate higher than a state's general sales tax rate.
- *No Tax Subsidies for Stadiums Act* (H.R.811); this eponymous bill was referred to Ways and Means; there has been no further action (a very minor provision in the tax reform act affected private municipal bond issues; such bonds are often used to build stadiums).
- *Tax Filing Simplification Act of 2017* (S.912) by Senator Elizabeth Warren (D-Mass.) would have the IRS at the taxpayer's option prepare the taxpayer's return when there are no complicated issues; allow taxpayers to download their tax information from third parties; and provide online software to prepare and submit returns. It is dormant in the Senate Finance Committee. Its companion bill, H.R.3511 by Rep. Brad Sherman (D-Cal.30), is dormant in Ways and Means.

F. Training

The Training staff supported the following activities since July 1, 2017:

Nexus School

September 20- 21, 2017, in Atlanta, Georgia, for 33 participants from the Alabama Department of Revenue, the Georgia Department of Revenue, the Idaho State Tax Commission, the Kentucky Department of Revenue, the New Jersey Division of Taxation, and the South Carolina Department of Revenue.

Corporate Income Tax training

March 20 – 23, 2018, in Atlanta, Georgia, for 38 participants from the Alabama Department of Revenue, the Colorado Department of Revenue, the Georgia Department of Revenue, and the South Carolina Department of Revenue.

On September 26 and 27, 2017, Larry Shinder from the Joint Audit Program, along with Bruce Fort from the legal division, provided the Vermont Department of Taxation with income tax training. The training was geared to specific topics requested by Vermont on issues they have encountered during audits.

The events and training staff coordinated the logistics of the 50th Annual Conference in Louisville, Kentucky, July 31 – August 3, 2017, which included an off-site reception and dinner at Churchill Down's Kentucky Derby Museum. Staff provided onsite assistance to special invited guests Eugene Corrigan and James Peters, and the Kentucky Department of Revenue provided staff — Melinda M. Hill, Deputy Commissioner, and Stacy Ball from the commissioner's office — to assist with onsite activities. Staff also coordinated logistics for the 2017 Fall Committee Meetings and the 2018 Spring Committee Meetings.

The events and training staff have been the principal coordinators of the 51st Annual Conference and Committee Meetings to be held July 23 to 26, 2018, in Boston, Massachusetts. Staff has also worked on preparations for the 2018 Fall Committee Meetings and 52nd Annual Conference and Committee Meetings.

The events and training staff coordinated logistics for the Commission's staff retreat and auditor training which occurred in Itasca, Illinois, August 15 – 17, 2017.

The events manager attended the National Association of State Boards of Accountancy's 2017 National Registry of CPE Sponsors Summit September 26 – 27, in Nashville, Tennessee.

II. Administration

An all-staff retreat was held in Itasca, Illinois, August 15 and 16, 2017. The highlight of the retreat was a day-long presentation by Leading Edge on team building. Other presentations made during the retreat were on topics such as the Commission's updated

personnel manual and information and technology security. At the conclusion of the retreat, the Joint Audit Program remained in Itasca on August 16 and 17 for staff training.

Larry Shinder was promoted to field audit supervisor effective January 1, 2018. Larry has worked for the Commission since October 1997.

Renee Lee ended her employment as a paralegal with the legal division on February 23, 2018. Renee had been with the Commission since October 2016.

Sheldon Laskin retired on February 28, 2018, with over 19 years of service to the Commission. Sheldon was the Director of the National Nexus Program from his hiring in 1998 until 2007 when he joined the legal division as counsel.

James Lee was hired on March 13, 2018, as a program specialist in the National Nexus Program. Since November 2017, James had been working for the program as a temporary employee for the on-line seller voluntary disclosure initiative.

On March 1, 2018, the Executive Director signed an amendment to the existing Washington, D.C. office lease. This lease for additional contiguous space will expand the office size from 5,906 square feet to 6,820 square feet, providing needed additional work space. The lease and related lease payment will actually become effective once the build-out of the additional space is complete, which is expected to be this summer. The cost of this lease amendment is included in the FY 2019 budget on the assumption that the space will be occupied on July 1, 2018. This amendment to the existing lease extends the lease termination date to December 31, 2026, and provides adequate funding for the build-out of the newly acquired space.

During the latter part of 2017, Commission employees participated in a process regarding Social Security coverage. This process allowed existing employees to opt into coverage effective January 1, 2018, if he or she elected. All new employees hired on or after January 1, 2018, would participate in Social Security. On December 11, 2017, a proposed agreement for coverage was submitted to the Social Security Administration (SSA). While we are still awaiting approval of the agreement, we have been informed that the Office of General Counsel for the SSA has provided that the Commission can obtain Social Security coverage as an interstate instrumentality. This movement to participation in Social Security is expenditure neutral for the Commission.

Related to participation in Social Security, a new defined contribution (I.R.C. §401(a)) plan was established effective January 1, 2018. It was necessary to establish a new plan given the contribution rate to this plan of 6.2%. This is in contrast to the existing Social Security substitute defined contribution plan which had a contribution rate of 12.4%. In conjunction with the establishment of the new plan, modifications were made to update the existing plan.

Technology Addendum

The updates to the Commission's audit database are very close to reaching the testing phase. A few questions about reporting need to be clarified. Once the updates have been received from Yoodle, a testing environment will be set up and the audit director will conduct thorough testing before the code is moved to production.

Ongoing support for the Voluntary Disclosure Application remains an issue that requires attention. The training for the network administrator on the technology that this application is built on should begin in April or May. As a reminder, this training will allow for better troubleshooting, but not the ability to upgrade or build a new voluntary disclosure application and database. Discussions on whether to upgrade the existing database or build a new one should commence soon now that the online marketplace seller voluntary disclosure initiative is completed.

The VMWare servers are functioning and providing services in the production environment as is the new Cybernetics Storage Attached Network. Servers have already been identified as likely candidates to be migrated to virtual machines. The migration of physical to virtual machines will be an ongoing process and will occur as the need arises.

The Cleo Jetsonic software will be installed on new laptops as they are rolled out to the end users. Because the software requires a unique certificate for each connection, it would be too technologically intensive to create the certificates on our remote users' machines and then have to recreate them on new machines. In addition, once a certificate is created on a new machine, the certificate on the existing remote machine would become invalid.

The network administrator has worked with the Federation of Tax Administrators (FTA) to set up licensing on the Cleo Unify server for file sharing of certain non-federal tax information data.

The new Ring Central phone system has been rolled out and the 8x8 phone system has been retired. Although the majority of the work on the roll out was done by the web content and phone systems manager, the network administrator assisted in provisioning phones, troubleshooting, and assisting end users with the changeover.

The network administrator conducted training with the D.C. staff as well as some remote workers on email archiving. This training is an attempt to keep the size of the email file store at a manageable size.

Internet connection into the D.C. office is in the process of being upgraded. Currently we have a 100 MB connection. Our internet provider has shown us that our usage has reached 98% capacity at times. With the additional bandwidth requirements for the Jetsonic software and the use of Cleo Unify by FTA and several states, we are upgrading to a 1 GB connection. This requires some equipment changes in the data center. The network

administrator is researching the equipment needed and will be working with Alliance InfoSystems to ensure that the equipment is installed and configured securely.

The process of replacing existing laptops has begun. The network administrator has identified the models that the staff utilizing laptops can choose from. He will solicit choices from them and compile the order soon.

The normal maintenance of server hardware in the D.C. and Chicago offices occurs on a regular basis through on-site visits by the network administrator.

III. Outside Presentations & Events

The following are the programs, conferences, and other events of outside organizations at which members of the staff represented the Commission during the reporting period:

JULY

- 2017 SEATA Conference; New Orleans, Louisiana (Matson)
- National Association for Business Economics 7th Annual Transfer Pricing Symposium; Washington, D.C. (Dubin)
- NYU Summer Institute in Taxation: Intermediate State & Local Taxation; *A View From the State Tax Administrators* (Matson, panelist); New York, New York
- Tax Executives Institute, Philadelphia State and Local Tax Committee; *Multistate Tax Commission Update* (Stranburg, panelist); Philadelphia, Pennsylvania
- Georgetown 40th Annual Advanced State and Local Tax Institute; *The SALT Hangover: Reporting Federal changes to the States* (Hecht, panelist); *Digging In: State perspectives on Federal Tax Reform* (Fort, panelist); Washington, D.C. (Cram, Disque, Dubin, Matson, Shimkin, Stranburg)

AUGUST

- NCSL Executive Committee Task Force on State and Local Taxation meeting; Boston, Massachusetts (Shimkin)
- 2017 MSATA Conference; Indianapolis, Indiana (Stranburg)
- Council on State Taxation Mid-Atlantic Regional State Tax Seminar (Matson, panelist); McLean, Virginia

SEPTEMBER

- 2017 NESTOA Conference; Stowe, Vermont (Matson)
- 2017 FTA Revenue Estimation and Tax Research Conference; *Joint FTA-NTA Session – State General Business Taxation: Obsolete? Hopeless? Or Prospective? – Long-Term Trends in State Corporate Income Taxes: A Zombie Tax* (Dubin); Omaha, Nebraska
- National Association of State Boards of Accountancy 2017 National Registry Summit; Nashville, Tennessee (Tiggett)

- Louisiana State Bar Association; *Navigating the Changing State and Local Tax Landscape in a Multi-State Business – Nexus* (Hecht, panelist); New Orleans, Louisiana

OCTOBER

- 2017 WSATA Conference; Missoula, Montana (Matson)
- COST Annual Meeting; *The States Finally Get Serious About Transfer Pricing: Are You Prepared?* (Fort, panelist); Orlando, Florida

NOVEMBER

- 24th Annual Paul J. Hartman State and Local Tax Forum; *Point/Counterpoint – Alternative Apportionment in a Single-Sales Factor World* (Fort, panelist); *Ethical Sunrise – Start Your Day the Professionally Responsible Way!* (Stranburg, panelist); *Nexus: What's New? Top Ten Issues of the Day* (Stranburg, panelist); Nashville, Tennessee
- National Tax Association 110th Annual Meeting; *Infrastructure* (Dubin, organizer and moderator); *Optimal Taxation II* (Dubin, discussant); Philadelphia, Pennsylvania
- New England State and Local Tax Forum; Newton, Massachusetts (Matson)
- Georgetown SALT Advisory Board & Conference Planning Meeting; Washington, D.C. (Matson)

DECEMBER

- NYU 36th Institute on State and Local Taxation; *Due Process – Significant Current Issues* (Disque, Panelist); New York, New York (Matson)
- Tax Executives Institute 54th Annual Tax Symposium; *The New Partnership Audit Rules and What do They Mean for the States* (Hecht, panelist); New York, New York

JANUARY

- Ohio Tax Conference; *Ohio Sales & Use Tax – In-depth Review of Major Developments Including Recent Ohio Supreme Court & Ohio Board of Tax Appeals (BTA) Decisions & New Audit Practices* (Stranburg, panelist); Columbus, Ohio
- D.C. Bar Tax Community Conference; *The Tax Cuts and Jobs Act; Possible Impact of TCJA on State and Local Taxes* (Hecht, panelist); Washington, D.C.
- 2018 Federal Bar Association Tax Law Conference; *Federal Partnership Audit Legislation – State Impacts* (Hecht, panelist); Washington, D.C.
- New York Bar Tax Section Annual Meeting; *The Effects of Federal Tax Legislation on State and Local Taxation* (Hecht, panelist); New York, New York

FEBRUARY

- FTA Compliance and Education Workshop; *Tax Law for Non-lawyers* (Hecht and Disque, Panelists); *The MTC's Model Legislation on the New Federal Partnership Regime* (Hecht and Disque); *What Happened When the Nation's Marketplace Sellers Were Offered an Incentive to Register (Hint – You Can Try This at Home)* (Cram); New Orleans, Louisiana (Yang)

- ABA Tax Section Mid-Year Meeting; *SALT Implications of Federal Tax Reform* (Fort, panelist); San Diego, California
- Paul J. Hartman State and Local Tax Forum Advisory Board Planning Meeting; Phoenix, Arizona (Matson)

MARCH

- ABA/IPT Advanced Income Tax Seminar; *Funny Guys Discussing Hot Topics* (Hecht, panelist); New Orleans, Louisiana
- ABA/IPT Advanced Sales and Use Tax Seminar; *MTC VDA Program* (Cram, panelist); New Orleans, Louisiana
- NCSL Executive Committee Task Force on State and Local Taxation; *Federal Partnership Changes* (Hecht, panelist); Washington, D.C. (Shimkin)

3/28/2018	Prior Yr S/U Tax Liability Est.	Prior Yr Back Tax Liability Estimates for Online Marketplace Sellers Entering into Agreements With Prior 4 Yr Back Tax Liability Estimates of \$10,000 or More	TOTAL	# Agreements
State	Prior Yr S/U Tax Liability Est.	Prior Yr I/T Liability Est.	TOTAL	
AL	\$1,139,337	\$4,453	\$1,143,790	13
AR	\$128,525	\$1,181	\$129,709	14
CO	\$1,662,676	\$145,415	\$1,808,091	31
CT	\$2,804,592	\$330,458	\$3,135,050	126
DC	\$11,981	\$12,654	\$24,635	5
FL	\$7,884,949	\$422,162	\$8,307,111	217
IA	\$642,879	\$309,003	\$951,882	14
ID	\$535,697	\$31,826	\$567,523	6
KS	\$1,610,596	\$145,242	\$1,755,838	173
KY	\$1,537,313	\$260,908	\$1,798,281	193
LA	\$1,061,032	\$143,148	\$1,207,180	15
MA	\$120,548	\$161,776	\$285,324	22
MIN	\$139,267	\$170,235	\$309,502	24
MO	\$1,415,384	\$247,007	\$1,662,391	13
NE	\$1,116,373	\$242,789	\$1,359,162	13
NC	\$3,166,997	\$486,182	\$3,653,179	68
NJ	\$8,349,269	\$1,577,621	\$9,926,890	210
OK	\$726,480	\$137,898	\$864,378	7
RI	\$50,567	\$430	\$50,997	4
SD	\$286,641	\$0	\$286,641	11
TN	\$1,419,127	\$601,820	\$2,020,947	144
TX	\$7,833,669	\$875,397	\$8,709,066	226
UT	\$482,134	\$1,912	\$484,046	20
VT	\$30,898	\$34,705	\$71,603	12
WI	\$180,744	\$365,148	\$545,392	29
TOTAL	\$44,346,181	\$6,712,433	\$51,058,614	1610