



MULTISTATE TAX COMMISSION

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To: Executive Committee
From: Christy Vandevender, Nexus Committee Chair
Re: Nexus Committee Activities FY 2022 as of February 28, 2022
Date: April 22, 2022

Nexus Committee Report for FY 2022 as of February 28, 2022

The Nexus Program results for FY 2022 as of February 28, 2022 (July 1, 2021 through February 28, 2022) are provided below.

- Nexus states' collections: \$20,795,503 (\$20,269,587 FY 2021)
- Nexus states' executed agreements: 100 (411 FY 2021)
- Nexus states' average contract value: \$207,955 (FY 2020: \$49,318)

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 192 taxpayers in calendar year 2021. For calendar year 2022 to date (as of February 28), 25 taxpayers have so far applied. Most of the applications are based on sales/use tax economic nexus.

The Nexus Committee met virtually on July 27, 2021, in person on November 10, 2021 in Alexandria, Virginia and on April 21, 2022 in Albuquerque, New Mexico.

The Committee considered at the July 27, 2021 meeting: Richard Cram presented an extensive discussion of recent nexus law developments for income tax and sales/use tax. The open session was well attended with 162 attendees, and the closed session also had strong participation with 63 attendees.

The Committee considered at the November 10, 2021 meeting: Richard Cram gave a presentation on the new online voluntary disclosure application being used in the

Multistate Voluntary Disclosure Program (MVDP). Richard also explained that following *Wayfair* and states' implementation of sales/use tax economic nexus laws, MVDP voluntary disclosure agreements had used as the lookback period start date for taxpayers with only sales/use tax economic nexus the date that the state implemented sales/use tax economic nexus. Now that more than three years has passed since the *Wayfair* decision, MTC staff will phase out use of the state implementation date for sales/use tax economic nexus for the start of the lookback period when that date would be prior to the state's normal lookback period, which generally ranges between three to five prior years. However, the state always makes the final determination on the lookback period for an agreement. The open session was well attended with 114 attendees, 38 in person and 76 virtual. The closed session had 70 attendees, 36 in person and 34 virtual.