



MULTISTATE TAX COMMISSION

Report of the Uniformity Committee

Maria Sanders (Missouri), Chair

Laurie McElhatton (California), Vice Chair

To the Executive Committee

Hotel Albuquerque Old Town

800 Rio Grande Boulevard, NW

Albuquerque, New Mexico 87104

Friday, April 22, 2021

The Uniformity Committee met in Albuquerque on Wednesday April, 20th.

MTC staff reported on uniformity developments since the last meeting, including:

- California – The FTB issued a technical advice memorandum generally following the MTC position on P.L. 86-272.
- Idaho - Moved from cost of performance sourcing to market-based sourcing based on MTC's recommended approach and adopts single-sales-factor apportionment. Law is retroactive to 1/1/2022.
- Utah - Adopted the definition of business income to include generally income that is apportionable under the U.S. Constitution; and also adopted a mobile workforce bill based on the MTC model.
- Vermont - Incorporated recommendations from the MTC regulations regarding market-based sourcing into its new regulations.

The uniformity committee also heard reports from the work group on the project looking at state taxation of partnerships and from MTC staff on the project considering sales taxation of digital products. Those reports are available with the committee's agenda. A summary of the status of the projects is also provided here. (Additional developments will be summarized orally by the chair.)

Project – State Taxation of Partnerships

The workgroup focusing on state taxation of partnerships has been reviewing a white paper developed by staff addressing state taxation of investment partnership income and reviewing partnership training for state tax administrators. A draft of the white paper, without specific findings, was circulated to the work group prior to the uniformity committee meeting. At the meeting, the staff also summarized tentative findings for discussion.

Project – Sales Taxation of Digital Products

Staff reported on its ongoing discussions with stakeholders on the issues and policy questions concerning sales taxation of digital products. Staff also discussed potential next steps with the committee and asked for feedback and direction.

In addition to these two projects, the committee also held a roundtable of its members to discuss important developments in each state and considered items brought forward by staff and the public as new business for further consideration.