



MULTISTATE TAX COMMISSION

MINUTES OF THE

Executive Committee Teleconference

Tuesday, October 4, 2016

11:00 a.m. to noon Eastern Time

I. Welcome and Introductions –

The Chair of the Executive Committee, Demesia Padilla, New Mexico, welcomed everyone to the meeting and asked Marshall Stranburg to take the roll of the member states, and for others on the phone to introduce themselves. Members of the Commission or the Executive Committee present on the phone were:

Alabama – Julie Magee
Idaho – Rich Jackson
Missouri – Wood Miller
Montana – Mike Kadas
New Mexico – Demesia Padilla
North Dakota – Ryan Raushenberger
Texas – Nancy Prosser
Utah – John Valentine
Washington – Chris Coffman

Others present:

Dee Wald, North Dakota
Matt Peyerl, North Dakota
Lee Baerlocher, Montana
Bruce Fort, MTC
Sheldon Laskin, MTC
Tripp Baltz, BNA
Shirley Sicilian, KPMG (representing the ABA)
Karen Boucher
Lila Disque, MTC
Greg Matson, MTC
Marshall Stranburg, MTC
Thomas Shimkin, MTC
Richard Cram, MTC
Helen Hecht, MTC

A quorum of the Committee was present.

II. Initial Public Comment Period

The Chair asked for any public comment. Shirley Sicilian representing the ABA asked to speak on the ABA's proposed mediation proposal. (See the proposal summarized in the staff report for the agenda for this meeting.) She stated that there is substantial non-uniformity in receipts sourcing. This is compounded by the use of single sales factors in a number of states. The ABA therefore would like this provision included—which two states, Alabama and Louisiana have already adopted.

Helen Hecht, MTC, noted the results of the survey of the states on the use of mediation. (See the report included with the agenda for this meeting.)

III. Uniformity Item before the Executive Committee for Action

The Committee continued its discussion of two issues related to the Draft Amendments to the Commission's Model General Allocation and Apportionment Regulations. The first issue was inclusion of clarifying amendments necessary to reflect that interest and dividends are not included in the receipts factor. (Those changes are highlighted in a version of the proposed draft amendments included with the agenda for this meeting.) Wood Miller, Missouri, Chair of the Uniformity Committee was asked to explain the changes. He noted that some receipts are excluded from the definition of "receipts," but there are also receipts that are not sourced under the market sourcing rules and do not reflect a taxpayer's market. After discussion of the clarifying amendments and the reasons for them, Mike Kadas, Montana, made a motion to accept them. They were approved unanimously.

The second issue involved the ABA proposal. Mike Kadas, Montana noted that if "shall" were changed to "may" he could support the proposal. Others commented that this change would also make the proposal acceptable to them. Julie Magee, Alabama, made a motion to adopt the proposal with "shall" changed to "may." The motion passed unanimously. (The proposal therefore will be included in the draft amendments.) John Valentine, Utah, thanked the Committee and staff for assistance with this issue.

The question was raised as to whether the amendments were ready for recommendation to the Commission. It was agreed that they were. Mike Kadas made the motion to do so. That motion also passed unanimously.

IV. Adjournment

The Committee adjourned by affirmation at 11:35 a.m.