



MULTISTATE TAX COMMISSION

## **Charter for the State Intercompany Transactions Advisory Service (SITAS) Committee**

### **Introduction**

The Multistate Tax Commission (MTC) SITAS Committee (formerly the Arm's Length Adjustment Service Committee) was formed under authority of Article VI.2. of the Multistate Tax Compact and bylaw 6(b).

### **Responsibilities**

The SITAS Committee provides support to states seeking to address tax base erosion of income based taxes due to inter-company transactions.

### **Membership and Voting**

SITAS Committee membership is composed of designated representatives of the signatory states to the State Intercompany Transactions Advisory Service Committee Participation Commitment and Exchange of Information Agreement. A quorum is established by the number of SITAS program member states that are present at any SITAS Committee meeting. All state employees present during a meeting are welcome to participate and can offer motions or amendments; however, in any matter requiring a vote, each signatory state is entitled to only one vote.

Official committee decisions are made by motion, with no need for a second. Motions may be offered by any committee member, with or without an invitation from the Chair. The Chair has the option to limit who may vote on a motion when it affects some signatory states and not others. Eligible voters may vote yes, no, or abstain. A motion passes when a majority of eligible voters vote in favor. For example, assume 15 people are present and eligible to vote. A vote of 8 yes, 3 abstain, and 4 no means the motion passes. A vote of 7 yes, 4 abstain, and 4 no means the motion does not pass. No voting by proxy is allowed.

Except where inconsistent with the provisions of the Compact or the MTC bylaws and Public Participation Policy, *Mason's Manual of Legislative Procedure* is the parliamentary authority for all meetings of the committee.

### **Committee Activities**

The SITAS Committee meets at the call of the chair and holds periodic meetings that are open to the public and subject to the MTC's [bylaws](#) and [Public Participation Policy](#).

The committee sponsors and provides training sessions that include in-depth seminars on transfer pricing, audit techniques, tax compliance, current litigation affecting multiple states, and other aspects of state tax jurisprudence and administration.

The committee also convenes informational sessions to discuss legal and legislative developments, and for the purpose of sharing information, expertise, and advice. These events may involve confidential taxpayer information. Informational sessions are therefore conducted pursuant to an established exchange procedure, which will involve a means to reasonably verify that attendance is properly limited to

participants who represent that they are authorized by their respective state's law and policy to disclose and receive confidential taxpayer information and to otherwise participate in such discussions.

### **Governance**

The committee may elect, or the MTC's Executive Committee may appoint, members to serve as chair and vice chair(s). The chair and vice chair(s) will collaborate with MTC staff in planning and carrying out the activities and functions of the SITAS Committee and may also appoint other members to assist or serve in such other functions as necessary to carry out its responsibilities.

### **Bylaws and Amendments**

The committee should review this charter annually at its first meeting of the new fiscal year. The committee may adopt policies consistent with this charter to guide the performance of its duties and responsibilities and may, with the approval of the Executive Committee, amend this charter. See Article VI, paragraph 2(b) and (c), of the Compact, and bylaw 6(b).

Approved by the Executive Committee August 5, 2021.