



MULTISTATE TAX COMMISSION

MINUTES of
Income and Franchise Tax Subcommittee Meeting
Thursday, December 11, 2014
9:30 a.m. Central Time

I. Welcome and Introductions

Robynn Wilson, Chair of the Uniformity Subcommittee on Income & Franchise Tax, (AK) opened the meeting at 9:48 a.m. The following persons were in attendance:

Holly Coon	Alabama Department of Revenue	Lennie Collins	North Carolina Department of Revenue
Joe Garrett			
Rouen Reynolds		Matt Peyerl	
Deanna Munds-Smith	Arkansas	Myles Vosberg	North Dakota Office of State Tax Commissioner
Phillip Horwitz	Colorado Department of Revenue	Dee Wald	
Monica Best James	Comptroller of Maryland	Don Jones	Oregon Department of Revenue
Aaishah Hashmi	DC Office of Tax & Revenue	Gary Humphrey	
Charles Wilson		Jason Weimer	Pennsylvania Department of Revenue
Steve Wynn	Idaho State Tax Commission	Kathryn Lewis	State of CT, Dept. of Revenue
Richard Jackson			
Phil Skinner		Andrea Taylor	
Richard Cram	Kansas Department of Revenue	Karolyn Bishop	State of Washington Department of Revenue
Marcia Oakman	Kentucky Department		

Donald Richardson	of Revenue	Gilbert Brewer	
J. A. Cline	Louisiana Department of Revenue	Robynn Wilson	Alaska Department of Revenue
Michael Fatale	Massachusetts Department of Revenue	Frank Hales	Utah State Tax Commission
Wood Miller	Missouri Department of Revenue	Private Representatives:	
Lee Baerlocher	Montana Department of Revenue	Todd Lard	Sutherland
Gene Walborn		Virgil Helton	Fast Enterprises, LLC
Roxanne Bland	Multistate Tax Commission	Karl Frieden	Council On State Taxation
Bruce Fort		Deborah Bierbaum	AT&T
Keith Getschel		Karen Boucher	Deloitte
Helen Hecht		By Phone:	
Sheldon Laskin		Stewart Binke	Michigan Department of Treasury
Jeff Silver		Chris Coffman	State of Washington Department of Revenue
Ben Abalos		Christie Comanita	New Mexico Taxation & Revenue
		Dan Armer	
Ken Beier		Andrew Glancy	West Virginia State Tax Department
Lila Disque		Anita Klein	Pennsylvania Department of Revenue
Cathy Felix		Amy Hamilton	State Tax Notes
Thomas Shimkin			

II. **Approval of Minutes of In-Person Meeting, July 28, 2014**

Gary Humphrey (OR) moved to approve the minutes. The motion passed by voice vote.

III. **Public Comment Period**

There were no comments

IV. **Reports and Updates**

V. **Federal Issues Affecting State Taxation**

Roxanne Bland, MTC Counsel, gave an update of federal legislation affecting state taxes, specifically H.R. 1129, Mobile Workforce Income Tax Simplification Act; H.R. 292, Business Activity Tax Simplification Act; and S. 2347, H.R. 4085, Multi-State Worker Tax Fairness Act of 2014. The lame duck session for the House ended as of the date Ms. Bland presented; Senate planned to

be in session for a few more days. None of the bills the subcommittee discussed this year made it onto the slate; most likely the Mobile Workforce Income Tax Simplification Act and the Business Activity Tax Simplification Act will be reintroduced in the 114th Congress.

VI. **Process Improvements Discussion**

Status Report on Uniformity Website Improvements

There were no updates.

Uniformity Process Strategic Planning Workgroup Recommendations

Mr. Humphrey stated that the workgroup is currently working on new system to gauge states' interest early on as far as proposals. This should improve efficiency and adoption of models.

Public Comment

There were no comments.

Committee Discussion

There was no discussion.

VII. **Proposed Project on the Use of Trusts for State Tax Avoidance**

A. **Presentation of Memorandum**

Phil Horwitz (CO) presented a memorandum summarizing the activities of the work group and expressing its desire to take on a project using one of two possible approaches. The first approach would be to draft uniform model language regarding the factors that states use to assess trust residency. The second would be to draft uniform model language for trust apportionment similar to that used in California. California rolls residency/nexus and apportionment into one by first taxing the trust based on the ratio of resident to nonresident fiduciaries and then by the ratio of resident to non-resident beneficiaries.

B. **Public Comment**

There were no comments

C. **Committee Discussion**

Mr. Huddleston stated there are significant staff restraints due to the need to complete the UDITPA project pending the annual meeting next summer. He would be hesitant to endorse the project at this time, and would prefer to hold it for a while unless there is some driving urgency.

Mr. Humphrey agreed, although Lee Baerlocher (MT) stated that Montana does have problems related to trusts, and he would prefer not to dispose completely of the project. Mr. Horwitz believed part of the problem with something like this is that the states are not aware of the scope of the problem because it is, by its nature, under the surface. Mr. Horwitz supported the motion to put it aside temporarily. The motion passed by voice vote.

VIII. **New Business**

Ken Beier, MTC, highlighted some of the upcoming tax courses and encouraged state participation.

IX. **Adjourn**

Mr. Humphrey moved to adjourn. The meeting adjourned at 10:19 a.m.