



MULTISTATE TAX COMMISSION
Working Together Since 1967 to
Preserve Federalism and Tax Fairness

TO: Executive Committee
FROM: Lennie Collins, Nexus Committee Chair
RE: Nexus Committee Activities
DATE: December 1, 2011

July 1, 2011 – October 31, 2011

**Open Session
contains no confidential information**

This report reviews Nexus Committee activity to date in fiscal year 2012 (July 1, 2011 through October 31, 2011). It does not contain confidential taxpayer information.

Committee Activities

The committee met on July 26, 2011 in Whitefish, Montana. At the meeting the committee heard staff reports about activities of the National Nexus Program and offered general direction to Nexus program staff. Updates and discussion included:

- Oversight of the **voluntary disclosure** program, including on-going efforts to improve the process for states and taxpayers through technological advancements. Mr. Shimkin explained that the multi-state voluntary disclosure program for the period July 1, 2010 to June 30, 2011 collected \$11,659,647 for Nexus member states and an additional \$1,097,728 for non-member states.* To date in FY 2011 (July 1 – October 31, 2011), the Commission collected **\$1,575,183 on behalf of all states and \$1,502,562 on behalf of Nexus member states.**
- **Nexus School** update: Arkansas hosted Nexus School in Little Rock on October 26 and 27, 2011.
- Multi-state Voluntary Disclosure **Rules of Procedure**: the Nexus director explained that the uniform rules of procedure for multi-state voluntary disclosure had been in force for a year and that they have improved consistency of treatment of similarly situated taxpayers as well as allowed taxpayers to order their affairs with advance notice of how the Commission and states address certain common situations, such as eligibility, confidentiality, and deadlines. Staff found that they have decreased time to completion of disclosures.

The committee spent most of its open session time participating in SWOT strategic planning.

* The annual collection amounts include only back tax actually collected (cash basis). They may also contain a trivial amount of penalty, interest, and miscellaneous fees if they were collected before conclusion of the voluntary disclosure. It does not include any tax, interest, penalty, or other thing of value collected after the voluntary disclosure process ended. States almost always collect substantial interest on back tax amounts after the end of the voluntary disclosure process, but the Commission does not include these amounts in its reports, nor does it include the value of future tax payments from a newly-compliant taxpayer.