

TO: Members of the MTC Strategic Planning Steering Committee and Guests

FROM: Elizabeth Harchenko

Date: February 21, 2013

Subject: Preparing for Environmental Scan Update

The Strategic Planning Steering Committee is updating the Environmental Scan that was done during the summer of 2011. Each of you will be joining a teleconference on February 27, to participate in the update. Please review this memo and the attached materials to prepare for the teleconference.

Background

The Environmental Scan is using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, as we did before. The SWOT analysis is designed to provide a broad view of the factors that affect the commission's ability to successfully achieve its purpose. Those factors are:

- **Strengths:** characteristics of the commission that give it the ability to succeed in fulfilling its purpose.
- **Weaknesses:** are characteristics of the commission that create barriers or make it difficult to fulfill its purpose.
- **Opportunities:** *external* chances to improve MTC's performance in the environment.
- **Threats:** *external* elements in the environment that could make it difficult for the commission to fulfill its purpose.

Each of these factors should be considered with the purpose of the Multistate Tax Commission in mind. The focus of the commission's work is on taxes that have an interstate impact (income and sales). According to the Multistate Tax Compact, the commission was created for the following purposes:

1. Proper determination of tax liability for multistate taxpayers by seeking full accountability for tax reporting to the states and equity in administration of division of income rules that apply to multistate taxpayers
2. Promoting uniformity or compatibility of state tax systems
3. Promoting taxpayer convenience and compliance with state tax laws
4. Avoiding duplicative taxation of multistate taxpayers by the states

Please think about the commission's purpose, and come prepared to share your perspective on these questions:

STRENGTHS: What are the strengths of the Commission today—what qualities or characteristics make it successful in achieving its purpose?

WEAKNESSES: What does the commission do today that impairs its ability to fulfill its purpose? Are there internal challenges or barriers to effectively accomplishing its purpose?

OPPORTUNITIES: What is happening in the world of state tax administration that the MTC can take advantage of to better fulfill its purpose?

THREATS: What is happening in the world of state tax administration that could undermine the MTC's ability to fulfill its purpose?

Updated Scan Process

I have attached the final report from the Environmental Scan that was done in 2011. During our teleconference, we will review that report. I will ask you the following questions:

- Are the strengths, weaknesses, opportunities and threats that were identified in 2011 still appropriate now?
- Are there any strengths, weaknesses, opportunities or threats that are not on the list that should be added?
- Are there any strengths, weaknesses, opportunities or threats that are on the list that should be changed or deleted?

After the discussion, I will prepare an updated scan report. The Strategic Planning Steering Committee will use the updated report at its future planning meeting this spring.

Thank you.