

TO: MTC Compliance Team Members
DATE: March 19, 2012
FROM: Elizabeth Harchenko, consultant
SUBJECT: Background for meeting on Monday, March 26

MTC Compliance Team members: Lennie Collins, NC; Rick DeBano, WI; Tom Shimkin, MTC; Cathy Felix, MTC; Larry Shinder, MTC; Steve Cordi, DC

Thank you for serving on the MTC Strategic Planning Compliance Team. This memo will provide you with background information for our meeting on **Monday, March 26**. During that meeting, you will add depth and detail to the compliance goal, and you will help the Steering Committee develop objectives, strategies, and measures for the goal. As a reminder, our teleconference begins at **3:00 pm EDT**. The **dial-in number:** 1-866-381-9862, conference code 8917135. I look forward to working with you!

Background

The MTC Strategic Planning Steering Committee has adopted the following Mission and Vision statements:

MISSION

The Multistate Tax Commission is an intergovernmental state tax agency. Its mission is to:

- Achieve fairness by promoting compliance and consistent tax policy and practice; and to
- Preserve the sovereignty of state and local governments over their tax systems.

VISION

By 2019, MTC will be recognized as:

- The “gold standard” for tax policy process development
- The primary authority for the public and public officials on issues of state and local tax uniformity and fairness
- The leading resource for ensuring equitable tax compliance

The Steering Committee has also identified four goal areas in which to focus the MTC’s efforts so that it can achieve its vision. Those four goal areas are: Vitality and reputation of the commission; engagement of states and other stakeholders; uniformity; and compliance programs.

The compliance goal and high level outcomes for that goal are currently described as follows:

Compliance programs – Our goal is to develop strategies to address new compliance challenges.

Achievement of the MTC’s compliance goals will be reflected by:

- Greater voluntary compliance by taxpayers with state and local tax laws.
- Earlier identification of compliance challenges by the states and MTC staff.
- Prompt development of strategies to address new compliance challenges by the states and MTC staff.

Question for the team: Are there other outcomes that could be considered as indicators that we are achieving this goal?

The Steering Committee also needs to develop some measures that will allow us to define “progress” in achieving this goal. Examples might include:

- Turnaround time: shorten the time from opening to closing an audit by X%.
- Efficiency: reduce the number of hours per state spent on audits by X%.
- Use of voluntary compliance services: increase the number of taxpayers that use MTC’s voluntary compliance services by X%.

Questions for the team: Are there other measures that we could consider to help us gauge progress toward achievement of this goal?

How might we approach developing baselines for these measures against which to chart our progress in the future?

The Steering Committee has identified some ways to approach achieving this goal:

- Review and evaluate effectiveness of voluntary compliance programs and enforcement programs in order to strengthen these programs.
- Identify potential synergies of compliance strategies.
- Promote voluntary compliance programs differently and to a broader audience.
- Consider deeper research and analysis of enforcement program results (quantitative and qualitative) to enhance our use of what we learn.
- Consider how technology can help enhance effectiveness and efficiency of compliance programs.
- Evaluate communication practices for opportunities to better support compliance programs.
- Evaluate training and education programs.

Question for the team: What are some other strategies we might use to achieve this goal?