



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

Litigation Committee Report to Executive Committee

Fiscal Year 2010 – First Quarter

The MTC Litigation Committee is chaired by Marshall Stranburg, Florida Department of Revenue. Mark Wainwright and Clark Snelson, Utah Office of the Attorney General, are the Committee's co-vice chairs. The Committee undertook the following activities during the first quarter of fiscal year 2010.

- **In-Person Meeting**

The litigation committee met on July 27-28, 2009 in Kansas City, Missouri. Representatives from twelve states were in attendance; the total attendance for the second day was 23 people. The focus of the meeting was to improve revenue department efficiency and revenue enhancement. Attendees were asked to share ideas for implementing best practices in all aspects of state tax litigation, including identification of audit prospects, improved settlement techniques and improved discovery techniques. To that end, the Committee heard a presentation from Chainbridge Associates on audit selection techniques, and a presentation from Michael Fatale on nexus developments and trends. The Committee then engaged in a "roundtable discussion" of state auditing efforts and settlement ideas. The committee also heard presentations on ethical considerations for state attorneys, net operating loss treatment, changes to federal accounting and the legal and tax issues surrounding Tax Increment Financing Districts. As usual, we discussed recent U.S. Supreme Court decisions, and collaborated on pending state litigation. Our next meeting is scheduled for March, in Denver, Colorado.

- **Bi-Monthly Government Tax Attorney Teleconferences**

We conducted a state attorney teleconference on November 19, 2009 to discuss litigation involving federal statutory limitations on state and local taxation of satellite television broadcasting. The discussion was led by Lawrence Pratt, Assistant Attorney General for the State of Ohio, Douglas Dowell and Bethany Rice from the Office of Legal Services for Revenue in Kentucky, and Michael Youth, Assistant Attorney General for the State of North Carolina. The subject generated a good discussion among some 30 participants.

- **Paull Mines Award**

On July 29, 2009, Marshall Stranburg, General Counsel for the Florida Department of Revenue, was presented with the second annual Paull Mines Award for Contribution to State Tax Jurisprudence.