



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: May 4, 2009

Period July 1, 2008 – April 15, 2009

This report reviews Nexus Committee activity with respect to the period July 1, 2008 through April 15, 2009.

The committee met three times during this period:

- July 29, 2008
- November 19, 2008
- March 19, 2009.

The committee heard staff reports about activities of the National Nexus Program and offered general direction to Nexus program staff. Of greatest interest among the staff reports were the revenue results from the voluntary disclosure program: \$26,962,887 to date in this fiscal year. Even before year's end this is by far the greatest revenue year for the program.

The Nexus Committee engaged in the following activities this period:

- Continued markup of the voluntary disclosure guidelines.

Similar to an audit manual, this document will provide guidance to Commission staff and taxpayers regarding state voluntary disclosure policies. It is very near completion.

- Continued oversight of the renovation and improvement of the Commission's voluntary disclosure software.

The first portion of this project is almost complete and staff is currently using the new software while working with the vendor to correct a few errors. A voluntary disclosure application that taxpayers may fill out and submit online will be available on the internet presently. This software has significantly increased the efficiency with which staff processes voluntary disclosures. The second portion of this project involves giving states and taxpayers access to the software so that they may perform some functions themselves.

The second portion will also allow communication directly between state and taxpayer. The second portion has not been approved or funded.

- Consideration of staff reports on the practices of three industries or vendors that sell remotely without benefit of use tax registration.

In one case the committee offered the company voluntary disclosure, which the company declined. In all three cases the committee decided that there was insufficient basis to justify a more thorough nexus audit or other enforcement action.

- Consensus that two Nexus Committee meetings per year will suffice during this time of economic downturn.
- Roundtable discussions of nexus issues.