



To: Executive Committee  
From: Lennie Collins, Nexus Committee Chair  
Re: Nexus Committee Activities FY 2014 to date (March 31, 2014)

*This report summarizes activity of the National Nexus Committee to date (March 31, 2014) in fiscal year 2014.*

### **Multistate Voluntary Disclosure**

The Nexus Committee met on July 23 in San Diego; December 10 in New Orleans; January 8 by teleconference; and March 13 in Denver. The December 2013 meeting revives the practice of thrice annual meetings, which the Commission suspended some years ago in response to the fiscal crisis. The January 8 meeting was ad hoc.

The committee continues its oversight of the multistate voluntary disclosure program. Revenue recovered to date this fiscal year:

(July 1, 2013 – March 31, 2014):

- Nexus states' collections: **\$ 4,397,997** (\$ 9,277,480 in all fy 2013)
- All states' collections: **\$ 5,077,470** (\$ 10,842,380 in all fy 2013)
  
- Nexus states' executed contracts: **273** (479 in all fy 2013)
- All states' executed contracts: **310** (571 in all fy 2013)
  
- Nexus states' average contract value: **\$16,110** (fy 2013: \$19,328)
- All states' average contract value: **\$16,379** (fy 2013: \$18,988)

*Please Note: All of the above amounts include only amounts actually received before the Commission closes its File; neither interest, which taxpayers pay directly to states after their Commission Files are closed, nor the future value of new taxpayers are included. Hence, the actual value of each case is higher than reflected here.*

### **Information Exchange**

The committee at its first two meetings of fiscal year 2014 focused more of its activity on information exchange between states on nexus-related issues. Toward that end, the committee devoted most of its time at its December 2013 meeting to a presentation from staff on a nexus compliance issue and a roundtable discussion among members. The committee asked staff to look into the possibility of collecting and disseminating contact information for state staff with nexus-related duties, which may help interstate cooperation. Staff did so and reported to the committee in advance of its March 2014 meeting.

## **Service to Non-Members**

The committee requested at its July 2013 meeting that NNP staff discontinue as of July 1, 2014 its long-standing practice of offering multistate voluntary disclosure services to all states without regard to their membership status in the NNP. Staff notified the affected states and invited them to continue their work with the NNP on a paying basis. New Hampshire rejoined the program following the announcement of this policy.

## **Charter**

The Nexus Committee approved the revised Charter of the National Nexus Program at its July 2013 meeting and requested that the Executive Committee approve it at its meeting on July 18, 2013, which it did with only a technical amendment. The revised Charter replaces the current out-of-date one by removing references to obsolete programs, describing the program's mission in more general terms, and making it more concise. The Charter page on the Commission's website having received 567 unique visits in FY 2013 highlights the importance of ensuring that this document is up to date as an accurate resource for public use.

## **Round-Table Discussions**

The Committee has held a round-table discussion about compliance issues (including specific taxpayers) in closed session at each of its meetings this fiscal year except its ad hoc meeting in January. Members have found these discussion to be useful exchanges of information about compliance techniques and discovery leads.

## **Multi-State Voluntary Disclosure**

The committee instructed staff at its July 2013 meeting to limit voluntary disclosure applications to those concerning states with at least \$500 back tax at issue as a way to free up resources to provide faster service to the remaining taxpayers. Small-amount disclosures are a small percentage of total disclosures and, measured in dollar terms, approach insignificance.

## **Strategic Planning**

At an ad hoc January 2014 meeting the committee considered and approved participation in the Commission's strategic planning work.

The committee devoted most of its time at its March meeting to strategic planning. With Ms. Elizabeth Harchenko facilitating, the Nexus Committee reviewed the Commission's Mission, Vision, Values, and Goals (MVVG); reviewed the Nexus Charter for consistency with the Commission's MVVG; brainstormed a statement of purpose and vision for the Nexus Program; did an environmental scan of Nexus organization and activities; and identified potential goals for the Nexus Program. A sub-group of the Nexus Committee has begun work on a draft plan for the committee's consideration at its July 2014 meeting.