

**Multistate Tax Commission (MTC)
Nexus Committee Minutes
December 10, 2013
New Orleans, Louisiana**

NAME	STATE OR AFFILIATION	NAME	STATE OR AFFILIATION
Ben Abalos	MTC	Tim Jennrich	WA
Rebecca Abbo	NM	Maria Johnson	FL
Julie Anderson *	OR	Julie Magee	AL
Walter Anger	AR	Gregory Matson	MTC
Lee Baerlocher	MT	Deanna Munds-Smith	AR
Gil Brewer	WA	Hermi Nanez *	TX
Steve Bouchard *	OR	Demesia Padilla	NM
Karen Boucher	Deloitte Tax LLP	Matt Peyerl	ND
Joan Cagle	TN	Nancy Prosser	TX
J.A. Cline, Jr.	LA	Daniel Riley *	MD
Lennie Collins	NC	John Ryser	WA
Rick DeBano	WI	Kathleen Sher	NH
Anita DeGumbia	GA	Chris Sherlock	AL
Tim Donovan *	SC	Thomas Shimkin	MTC
Cathy Felix	MTC	Phil Skinner	ID
Cory Fong	ND	Jeff Silver	MTC
Bruce Fort	MTC	Mary G. Smith *	SC
Karl Frieden	Council on State Taxation	Sue Strickland *	SC
Kith Getschel	MN	Misagana Tesfaye	CO
Andrew Glancy	WV	Christy Vandevender	AL
Frank Hales	UT	Lizzy Vedamanikam	NM
Helen Hecht	Federation of Tax Administrators	Myles Vosberg	ND
Jeff Henderson *	OR	Gene Walborn	MT
Pamela Hill	AL	Dee Wald	ND
Joe Huddleston	MTC	Steve Wynn	ID
Gary Humphrey	OR	Steve Yang	MTC
Richard Jackson	ID		

* Participated by telephone

Italicized text indicates a committee action or a matter to follow up.

Nexus Committee Chair Lennie Collins convened the meeting. The committee approved by voice vote the minutes of the July 2013 meeting. Mr. Collins invited comments from the public. There were none.

Nexus Director's Report

Mr. Shimkin delivered his nexus director's report, beginning with results of the multistate voluntary disclosure program. He reported the following revenue collections, which does not include interest or future tax collected.

- Nexus states' collections: **\$ 2,481,930** (\$ 9,277,480 in all fy 2013)
- All states' collections: **\$ 2,951,231** (\$ 10,842,380 in all fy 2013)

- Nexus states' executed contracts: **125** (479 in all fy 2013)
- All states' executed contracts: **141** (571 in all fy 2013)

- Nexus states' average contract value: **\$19,855** (fy 2013: \$19,328)
- All states' average contract value: **\$20,931** (fy 2013: \$18,988)

Regarding membership, Mr. Shimkin explained that there are currently thirty-eight members of the National Nexus Program, New Hampshire having rejoined after about five years. He reminded the committee that the NNP will cease offering multistate voluntary disclosure services to non-member states beginning July 1, 2014.

Mr. Shimkin updated members about the California *Gillette* case pending before the California Supreme Court. He said that all briefs have been filed, including an amicus from the Commission, and the parties are waiting for the court to schedule oral argument if it chooses to do so.

Mr. Shimkin reminded members that only Nexus member states will receive NNP voluntary disclosure services after June 30, 2014. He said that he has notified commissioners and voluntary disclosure staff of non-member states, and that he is reaching out to non-members with requests to join.

Mr. Shimkin asked members to consider putting a link from their voluntary disclosure web pages to the NNP's web page. He said that, although few states have added the link after the NNP staff asked, doing so would be helpful to taxpayers interested in voluntary disclosure to multiple states. He said that adding the link may be only a matter of asking the right person.

Discussion of Low-Dollar Voluntary Disclosures

The committee deliberated whether to recommend that the NNP put a lower limit on the dollar value of disclosure offers that it accepts into the multistate program. Mr. Shimkin requested guidance because he said that the NNP staff could provide speedier service to the remaining disclosants if it did not provide services to very low-dollar ones. The committee considered various thresholds, including \$1,000 and \$0. MTC Executive Director Joe Huddleston suggested that starting with \$500 would be prudent; he said that the NNP's program encourages taxpayers to come forward and that disclosants' future compliance in paying taxes is really the success that this program seeks to achieve. There

was consensus that staff should maintain discretion to deviate from a threshold for good reason, e.g., when a disclosant has generally large disclosures and maybe one or two small ones.

The committee unanimously approved a motion to set the suggested threshold at \$500 based on the applicant's good faith estimate of tax due.

New Business

There was no new business.

Closed Session

The Committee entered closed session then returned to open session to make a report on its closed session. There were no members of the public present to hear the report.

Adjournment

The Committee adjourned.