Multistate Tax Commission
Procedures of Multi-state Voluntary Disclosure

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1. Definition and Purpose of Multi-state Voluntary Disclosure

   1.1. The Multistate Tax Commission National Nexus Program (NNP) is a state instrumentality to which member states delegate enumerated, limited powers to act on their behalf. The NNP's multi-state voluntary disclosure program (MVD) is one such limited delegation.

   1.2. MVD is the process whereby a taxpayer that has not filed a return of sales/use or business activity tax in one or more *states* may come into compliance through a single point of contact and substantially uniform procedure. Business activity taxes include taxes such as income, franchise, business and occupation, commercial activity, and net worth tax. In exchange for compliance in a state, the taxpayer receives a benefit from that state, usually relief of all penalty and, except with respect to the *lookback period,* waiver of all back tax and all back interest. The *lookback period* is the range of past tax filing periods with respect to which the taxpayer must file returns as part of the MVD. *Lookback periods* vary. However, sales and use tax collected from others must be surrendered in its entirety, without regard to the *lookback period*, and may in some *states* involve a small, non-waivable penalty. In most *states* interest is not waived.

   1.3. Because a taxpayer's obligation to file tax returns outside its state of domicile is sometimes unclear, it is appropriate for *states* and taxpayers to compromise by means of MVD. Taxpayers are relieved of the financial uncertainty of potential tax obligations while *states* protect the public interest and promote compliance with their tax laws.

1.4. MVD furthers the purposes of the *Commission* and its *National Nexus Program* by:

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1.4.1. Fostering increased state tax compliance by businesses engaged in multi-jurisdictional commerce;

1.4.2. Establishing national cooperation in the administration of state tax issues arising in the nexus area, including the identification of businesses involved in multi-jurisdictional commerce which are not now in compliance with applicable state tax laws;

1.4.3. Educating taxpayers as to their state tax reporting responsibility when they become involved in the systematic development of a market in a specific state; and

1.4.4. Promoting fair and consistent state tax enforcement in the nexus area.

1.5. *State* as used in these procedures includes only the fifty United States and the District of Columbia. It includes political subdivisions only to the extent their taxes are administered and collected by the *state*.

2. Role of the *Commission*

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The National Nexus Program is a program of the Multistate Tax Commission available to *states* by subscription independent of membership in the Multistate Tax Commission itself. To encourage participation in MVD, the *Commission* seeks to play the role of a fair broker between *states* and taxpayers as they seek to settle their nexus issues.

3. Purpose of Multi-state Voluntary Disclosure Procedures

3.1. The purpose of this document is to set forth guidelines with respect to multi-state voluntary disclosure in order to ensure fair and consistent treatment of all taxpayers. This in turn allows taxpayers to better order their affairs with respect to these procedures, and to reduce the burden on state and taxpayer personnel by reducing the need to address policy issues on a case by case basis.

3.2. Participating *states* believe that established guidelines will encourage greater participation in multi-state voluntary disclosure by taxpayers and *states*, and thereby increase compliance with *state* tax laws, to the benefit of the citizens of the participating *states* and of taxpayers wishing assistance to come into compliance.

4. Adoption of Procedures

4.1. All member states of the NNP accept these procedures as the state's procedure with respect to multi-state voluntary disclosure except:

4.1.1. The following *states* accept no part of these procedures: ___________; and

Deleted: decline to apply these procedures in their entirety

4.1.2. A *state* may opt out of a particular section, which is noted by footnote where it occurs in the text.

4.2. These procedures do not apply to a *state's* single-state voluntary disclosure program.

4.3. Except as a *state* may exempt itself per § 4.1.1 or 4.1.2, NNP member *states* adopt these procedures as an expression of current policy based on discretionary administrative authority; they shall not be construed to be promulgation of regulations.

4.4. Participating *states* acknowledge that taxpayers entering into multi-state voluntary disclosure do so in reliance on these procedures; therefore, participating *states* agree to apply to a taxpayer with an Open MVD *case* the procedures as they existed when that taxpayer opened that MVD *case*.

5. Eligibility

5.1. Generally, a taxpayer may participate in MVD unless it is ineligible. However, a state is not required to accept a taxpayer's MVD offer even if it is otherwise eligible.

5.2. A taxpayer is generally ineligible to participate in MVD with respect to a tax type and a *state* if it has at any time in the past filed a tax return or similar filing or made a payment with respect to that tax type and that *state*, or if it has been *contacted* by that *state* (or the *Commission* on behalf of that state) with respect to the taxpayer's potential or actual obligation to file a return or make a payment with respect to that tax type and that *state*. However, if a *state contact* does not specify a specific type of tax it is construed to be with respect to all types of tax. [1] Each state may make its independent decision with respect to eligibility, taking into consideration extenuating circumstances, such as passage of time See §15 for the definition of *state contact*.[2] .

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5.3. A taxpayer who would generally be ineligible for MVD but nevertheless wishes to pursue it, should so advise *Commission* staff, who will inquire of the affected *states* and inform the taxpayer which, if any, care to receive an application.

[1] A State Contact with Texas may at the state's option be construed to be with respect to any type of tax, without regard to whether that type of tax is included in an enumeration of tax types accompanying the *contact*. For example, Texas may interpret a communication to a taxpayer that references only corporate franchise tax to also include sales and use tax.

[2] Texas extends this policy to exclude from eligibility those whose nexus to the state is being investigated by the state but who have not yet been *contacted.* Such persons will ordinarily not know of their ineligibility before they apply.

5.4. With regard to a *state* whose laws allow for unitary, combined, or consolidated filing of returns, a taxpayer who is a member of a unitary or combined group, of a group filing on a consolidated basis, or of a group otherwise affiliated, shall not be ineligible for MVD solely on account of that membership.

6. Anonymity and Disclosure

6.1. A taxpayer may, but need not, be anonymous to the *Commission* during the MVD process. Because the *Commission* needs to easily communicate with a taxpayer (directly or through its attorney or tax advisor) in order to conduct its business, taxpayers wishing to remain anonymous to the *Commission* will find it most convenient to approach through a representative such as an attorney or tax advisor who has a fixed place of business that may be used for communication purposes. A taxpayer choosing to remain anonymous while approaching the *Commission* directly should make arrangements to ensure timely communication by telephone, e-mail, US Postal Service, and private overnight delivery service, which will prevent delay in processing the application. The *Commission* must know a taxpayer's identity after an MVD contract is executed in order to ensure proper processing.

6.2. In the event the *Commission* knows the taxpayer's identity, it shall not knowingly release it to any other party under any circumstance except:

6.2.1. To a *state* after an MVD contract has come into effect with respect to that *state*;

6.2.2. To any other party with the taxpayer's written consent;

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6.2.3. By order of a court of competent jurisdiction; or

6.2.4. In accordance with § 12.1.2 or § 12.2.1.

6.3. Participating *states* agree to not require, whether by court order or otherwise, that the *Commission* release a taxpayer's identity except:

6.3.1. To a *state* after an MVD contract has come into effect with respect to that *state*; or

6.3.2. To any other party with the taxpayer's written consent; or

6.3.3. In accordance with § 12.1.2 or § 12.2.1.

7. Disclosure of Taxpayer's Identity

7.1. The Commission shall take reasonable care to review a taxpayer's application and other communications intended to be sent to a state to ensure that nothing therein identifies the applicant (except to the extent the taxpayer has given its written consent to that disclosure). However, under no circumstance shall the Commission be liable for failure to detect such information or for having made such application or communication available to a *state*. Ensuring that communications intended to be forwarded to a *state* be in a form appropriate for that *state* to see is primarily the taxpayer's responsibility.

7.2. Neither the *Commission* nor a *state* shall attempt to learn the identity of a taxpayer in MVD except:

7.2.1. When the taxpayer voluntarily discloses it as a result of completing an MVD contract or otherwise;

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7.2.2. In the course of governmental activity that does not use any information acquired as a result of the taxpayer's participation in MVD; or

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7.2.3. In accordance with § 12.1.2 or § 12.2.1.

7.3. Neither the *state* nor the Multistate Tax Commission shall use information acquired as a result of a taxpayer's participation in MVD to develop independent sources of information about the taxpayer for the purpose of discovering its identity.

7.4. Unless the taxpayer consents otherwise in writing, or in accordance with § 12.1.2 or § 12.2.1, if a *state* learns the identity of a taxpayer before the MVD contract is in effect with respect to that *state*, the *state* shall:

7.4.1. Make no use of the identity; and

7.4.2. Conduct itself as if the identity had never been disclosed.

8. Opening A Voluntary Disclosure *Case* *(see also § 19 for definitions of* Case *and* File)

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8.1. A taxpayer opens a voluntary disclosure *case* with respect to a *state* and a tax type when the *Commission* receives a writing that:

8.1.1. *States* that the taxpayer "applies for voluntary disclosure" (or other words to that effect);

8.1.2. Lists the *state*(s) to which the taxpayer wishes to voluntarily disclose;

8.1.3. Lists the type(s) of tax sought to be voluntarily disclosed; and

8.1.4. Provides the last digit of the taxpayer's federal employer identification number (FEIN) or last digit of its taxpayer identification number (TIN).

8.2. Providing the FEIN or TIN information allows the *Commission* to positively distinguish the applicant from other taxpayers without compromising its anonymity.

8.3. A writing may be presented in any way, including Postal Service, fax, and e-mail. It need not be signed.

8.4. Having an open *case* means that the taxpayer is *protected from discovery* in the listed *states* beginning 12:01 AM on the calendar day following the *Commission's* receipt of the writing and ending on the calendar day following expiration of a time limit (deadline) as set forth in §16. Unless the *case* is *closed*, *protection from discovery* in that *case's state* resumes at 12:01 AM on the calendar day after the taxpayer takes the required action. See § 14.1 for the definition of *protected from discovery*.

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9. Mistaken Filing or Payment to *State*

9.1. If a *state* receives notice or otherwise becomes aware that it mistakenly received a return, filing, or payment, the *state* shall:

9.1.1. Permit the applicant to complete the MVD process as if the return, filing or payment had not been received; and

9.1.2. Apply a mistaken payment (or payments) to the tax owed, apply any remainder to interest, and refund any further remainder to the taxpayer.

9.2. The *state* shall not be required to refund a mistaken payment except to the extent it exceeds a taxpayer's total tax liability at the end of the MVD process.

9.3. Notwithstanding §9.1.1, the *state* may process a mistakenly received registration or filing.

10. Mistaken Filing or Payment to *Commission*

10.1. If the Commission receives notice that it mistakenly received a return, filing, or payment other than of a collected fiduciary tax, the *Commission* shall:

10.1.1. At the applicant's option, either return, destroy, or retain for future use the mistaken return, filing or payment;

10.1.2. Make no use of mistakenly received information except as the taxpayer permits; and

10.1.3. Permit the applicant to complete the MVD process as if the return, filing or payment had not been received.

10.2. However, without regard to the applicant's preference, the *Commission* shall forward to the *state* a mistakenly received collected fiduciary tax payment and shall not return, destroy, or retain it for future use. A collected fiduciary tax is sales tax, use tax, excise tax, withholding tax, or any other tax or funds collected or received from another on behalf of the state under color of state authority.

11. Premature or Incomplete Filing or Payment to the *Commission*

11.1. A signed MVD contract, returns, registration forms (sales/use tax only) and payment are generally due to the the *Commission* from the applicant at the end of the MVD process (the MVD contract governs this).

11.2. If the *Commission* receives one or more, but not all, required items, the *Commission* shall hold the received items pending receipt of the rest. However, if the *Commission* has not received all items within 60 days of their due date (see §16 for time limits on taxpayer), The *Commission* may return the received items to the sender.

11.3. Standard deadline procedures apply, as indicated in § 16, including the deadline to close an inactive *case* or *file*.

12. Gross Misrepresentation

12.1. If a taxpayer's *case* is *open* in any *state* and the *Commission* obtains clear and convincing evidence of gross misrepresentation of a material fact that the taxpayer provided as part of, or in support of, its application for MVD to a *state*, such as would likely have affected that *state*'s decision whether to accept, reject, or counter-offer the proposal, the *Commission* shall present the evidence to the taxpayer and invite it to show good cause why its *file* (with respect to all *states*) should not be closed, and its identity and the evidence of gross misrepresentation reported to the *states* that have received the taxpayer's application. If after 10 days good cause has not been shown, the *Commission* shall close the *file* (with respect to all *states*) and:

12.1.1. Not disclose the taxpayer's identity or evidence of gross misrepresentation to *states* that did not receive the taxpayer's application; and

12.1.2. Inform *states* that did receive the taxpayer's application of the taxpayer's identity, and present to them the evidence of gross misrepresentation (evidence affecting one *state* but not another shall be disclosed only to the affected *state*); and

12.1.3. Decline to knowingly assist this taxpayer with MVD again.

12.2. If a taxpayer's *file* is closed (with respect to all state *cases*) when the *Commission* obtains clear and convincing evidence of gross misrepresentation of a material fact that the taxpayer provided as part of, or in support of, its application for MVD to any state, such as would likely have affected that state's decision whether to accept, reject, or counter-offer the proposal, The *Commission* shall present the evidence to the taxpayer and invite it to show good cause why its identity and the evidence of gross misrepresentation should not be reported to the *states* that have entered into an MVD contract with it. If the taxpayer cannot otherwise be contacted after a good faith effort, this requirement will be met by sending a certified letter to the contact person and address of record with the *Commission* of both the taxpayer and its tax practitioner, if any. If after 10 days good cause has not been shown, the *Commission* shall:

12.2.1. Inform *states* that have received the taxpayer's application of the taxpayer's identity, and present to them the evidence of gross misrepresentation (evidence affecting one *state* but not another shall be disclosed only to the affected *state*);

12.2.2. Not disclose the taxpayer's identity or evidence of gross misrepresentation to *states* that did not receive an application; and

12.2.3. Decline to knowingly assist this taxpayer with MVD again.

12.3. If a taxpayer whose *file* is closed for misrepresentation is represented by a tax practitioner and there is clear and convincing evidence that the tax practitioner knowingly participated in the gross misrepresentation, or was aware of it and remained silent, then the *Commission* shall present the evidence to the tax practitioner and invite him or her to show good cause why his or her identity and the evidence of gross misrepresentation should not be reported to the *states* that have received the taxpayer's application. If after 10 days good cause has not been shown, the *Commission* may at its option:

12.3.1. Decline to knowingly assist this tax practitioner with MVD again (this prohibition shall be limited to the particular person in question and shall not extend to his or her partner or firm unless they were involved in their own right); and shall

12.3.2. Inform the *states* that have received the taxpayer's application of the tax practitioner's identity and present to them the evidence of gross misrepresentation (evidence affecting one state but not another shall be disclosed only to the affected state).

13. Withdrawal

13.1. A taxpayer may withdraw from a state *without prejudice* at any time before *the Commission* sends the signed contract, return, or payment to that *state*. *Without prejudice* means the taxpayer may apply again by submitting all new materials.

13.2. A withdrawal requested by a taxpayer shall be in writing and shall enumerate the *states* from which withdrawal is sought. Absent a contrary written statement, a withdrawal with respect to a *state* shall be presumed to include all tax types and shall be presumed to be effective upon receipt by *the Commission*.

13.3. *Protection from Discovery* per §14 ceases at 12:01 AM on the calendar day immediately following withdrawal.

14. Protection from Discovery

14.1. *Protection from Discovery* means that, upon receipt of notice per §15.2, the Commission and participating *states* shall suspend with respect to an eligible taxpayer (see § 5.2) so protected, all inquiry and other enforcement activity (except criminal enforcement activity), with respect to that taxpayer's non-filer status and the type of tax it seeks to voluntarily disclose, pending that taxpayer's

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completion of its MVD in accordance with the time limits set forth in §16.

14.2. Provided that the *state* (or the *Commission* on behalf of the *state*) has not *contacted* (see §15.1 for definition) the taxpayer, it is *protected from discovery* in a state with respect to a type of tax beginning at 12:01 AM on the calendar day following the day that *the Commission* receives its request for MVD that meets the requirements of § 8

14.3. *Protection from discovery* ends at 12:01 AM on the day following the last day available to a taxpayer to meet a deadline as set forth in these procedures. For example, given a seven day deadline and time period beginning on July 1, *protection from discovery* ceases at 12:01 AM on July 9. *Protection from discovery* resumes at 12:01 AM on the calendar day after the taxpayer takes the required action.

15. *State Contact* While *Protected from discovery*

15.1. *State contact* means any communication with respect to a type of tax from *state* personnel to a *person* with respect to that *person*'s actual or potential tax obligation in that *state* with respect to that type of tax. Examples of *state contact* include but are not limited to: a telephone call or correspondence from a *state* revenue official, a nexus questionnaire mailed to the taxpayer, and a notice of audit or assessment. [3] A *state contact* is deemed received when mailed or sent. If a *state contact* does not specify a specific type of tax it is construed to be with respect to all types of tax.[4]

[3] Texas extends this policy to exclude from eligibility those whose nexus to the state is being investigated by the state but who have not yet been *contacted.* Such persons will ordinarily not know of their ineligibility before they apply.

4 A State Contact with Texas may at the state's option be construed to be with respect to any type of tax, without regard to whether that type of tax is included in an enumeration of tax types accompanying the Contact. For example, Texas may interpret a communication to a taxpayer that references only corporate franchise tax to also include sales and use tax.

15.2. For purposes of §15, a *person* means either a natural or a juristic person. With regard to a *state* whose laws allow for unitary, combined, or consolidated filing of returns, all constituent entities of a unitary or combined group, of a group filing on a consolidated basis, or of a group otherwise affiliated, are a single *person* for purposes of §15 without regard to whether the *state* was aware of the existence of such entity or of its relationship to its constituent entities.

15.3. A taxpayer *contacted* by a *state* with respect to which the taxpayer is *protected from discovery* may assert its *protection from discovery* by doing all of the following:

15.3.1. Inform the *Commission* of the *state contact*, including if possible the name and contact information of the *state* person who made the *state contact* and a copy of any writing that was part of the *state contact*; and

15.3.2. Provide the *Commission* this, or a similar, written statement: "MTC Anonymous YY-XXX gives *the Commission* permission to disclose its identity to the *state* of [*state* name] for the purpose of *protection from discovery* as described by the Multistate Tax Commission Procedures of Multi-state Voluntary Disclosure." YY-XXX stands for the taxpayer's voluntary disclosure identification number.

15.4. Upon proper notice, the *Commission* shall timely inform the *state* in question that the taxpayer is involved in MVD with respect to that *state* and the type(s) of tax and the *state* shall suspend its inquiry or other compliance-related activity pending the taxpayer's completion under the normal and usual terms of the MVD with respect to that *state* and that (those) type(s) of tax.

15.5. If a taxpayer fails to meet a time deadline of the MVD process after *contact* by the *state*, then *protection from discovery* shall thereupon cease and the *state* may, at its option, continue its *state contact*, inquiry, or compliance-related action. The *Commission* shall not grant an extension of time after *state* contact. The *state* should at this time advise the *Commission* whether it is willing to further consider the MVD application and the taxpayer should advise the *Commission* whether it wishes to continue the MVD application. If both taxpayer and *state* choose to continue, The *Commission* shall continue to process the MVD. If either the taxpayer or the *state* chooses to not continue, The *Commission* shall close its *case* on the taxpayer with respect to that *state*.

16. Time Limits: Taxpayer

16.1. The following time limits (deadlines) apply to the taxpayer for the purpose of determining whether the taxpayer is *protected from discovery*. Failure to meet a time limit shall suspend the taxpayer's *protection from discovery* until the action in question is completed and, in some cases as noted, result in closure of the *file*.

16.1.1. The *Commission* *opens* a *file* (see § 8) until the *Commission* receives a properly prepared Application: 14 days.

16.1.2. Taxpayer receives draft contract until taxpayer responds to draft contract by either accepting or requesting changes: 28 days. The draft contract is the text the *Commission* will send to the indicated *states* as part of the taxpayer's MVD proposal.

16.1.3. Taxpayer responds to state counter-offer to draft contract: 28 days. Taxpayer has 28 days to respond to each subsequent counter-offer.

16.1.4. Taxpayer responds to request for information from *state* or the Commission: 14 days. Taxpayer has 14 days to respond to each subsequent request for information from the *state* or the *Commission*.

16.1.5. From taxpayer receipt of a state-signed contract (or other expression of intention to enter into the voluntary disclosure agreement) until the *Commission* receives it back from the taxpayer together with all required filings, returns and payment: 28 days.

16.1.6. Notwithstanding the requirement of § 16.1.5, an MVD draft contract signed by a *state* shall remain a valid offer to the taxpayer for the period of time stated in the contract the state signed or, if no period is stated, 90 days from the day it was mailed or sent to the taxpayer or its representative (protection from discovery is lost 28 days after it was mailed or sent). It may be returned signed at any time within that period together with all required returns and payment, after which time it shall be void, unless the *Commission* or the *state* issues an extension in writing.

16.2. The *Commission* may at its option close the *file* of a taxpayer at any time 90 days or more after the taxpayer loses and fails to regain *protection from discovery*. *Closing the file* means that the taxpayer must apply from the beginning if it wishes to pursue MVD.

16.3. Except when the The *Commission* closes a taxpayer's *file* due to inactivity for 90 or more days after loss of *protection from discovery*, the taxpayer is free to miss any deadline it chooses without consequence other than temporary loss of *protection from discovery.* Therefore, the *Commission* may, without specific *state* authorization, grant one or more short extensions of time to a taxpayer, but only upon demonstration of extreme hardship that the taxpayer could not have reasonably prevented.

17. Time Limits: *State*

17.1. The *state* endeavors to, and in most cases will, process voluntary disclosure applications faster than stated here. However, an application may from time to time take longer, particularly when unusual terms are sought or the facts are difficult. Taxpayers should bring any time requirements to the attention of *Commission* staff, who will do their best to accommodate taxpayer needs by arranging faster *Commission* processing and requesting the *states* to do likewise.

17.2. The following time limits apply:

17.3. From *state* receipt of draft contract until it sends its response to the *Commission*: 42 days (6 weeks);

17.4. *State* responds to counter-offer: 42 days (6 weeks);

17.5. *State* sends bill for interest to taxpayer: 42 days (6 weeks)

18. Time Limits: *Commission*

18.1. The *Commission* endeavors to, and in most cases will, process voluntary disclosure applications faster than stated here. However, an application may from time to time take longer, particularly when unusual terms are sought or the facts are difficult. Taxpayers should bring any time requirements to the attention of *Commission* staff, who will do their best to accommodate taxpayer needs by arranging faster *Commission* processing and requesting the *states* to do likewise.

18.2. The following time limits apply to the *Commmission*:

18.3. From *Commission* receipt of application for voluntary disclosure to sending draft contract to taxpayer: 7 days;

18.4. From *Commission* receipt of taxpayer's approval of draft contract to sending draft contract to *state*: 7 days;

18.5. Forwards requests for information, counter offers, and other communications: 2 business days;

18.6. Forwards *state*-signed contract to taxpayer: 7 days;

18.7. Forwards taxpayer signed contract, returns and payment to *state*: 7 days.

19. Definitions and Miscellaneous Time Procedures

19.1. *Days* are calendar days unless the text clearly states otherwise.

19.2. A time limit (deadline) falling on a federal holiday or a weekend shall be extended to the next business day.

19.3. *Days* are counted thus: the first day is the calendar day immediately after the day in which the initiating action took place.

19.4. A filing or document mailed or sent by a taxpayer shall be construed to have been received by a state or by the *Commission* on the date of actual receipt, without regard to its postmark and the date it was mailed or sent.

19.5. No return, filing, or payment that was accidentally or prematurely made and returned to the sender for that reason shall count with respect to any time deadline of these procedures.

19.6. *File* means the total number of state *cases* existing with respect to an applicant. It is assigned a *file* number in the format MTC YY-XX, such as MTC 09-40 or MTC 09-99.

19.7. *Case* means that subset of a *file* that applies to only one state and one taxpayer, e.g., MTC 09-40 ND or MTC 09-99 MA

19.8. *Commission* means the Multistate Tax Commission.

19.9. *NNP* means the National Nexus Program, a division of the Multistate Tax Commission. *States* may subscribe to NNP independently of their membership in the *Commission* itself and any other program of the Commission.

19.10. The MVD process ends with respect to a *state* when:

19.10.1. that *state* and the taxpayer have each signed the MVD contract; and

19.10.2. the *state* has received all tax returns, payment and other material due, including but not limited to any interest and non-discretionary fees that the state billed in accordance with the MVD contract after receipt of the tax returns.

20. Electronic Communications

20.1. Unless the text clearly states otherwise, communications by fax machine, electronic mail (e-mail), and similar technological means shall count as written communications for purposes of these procedures.

20.2. MVD contracts shall be signed with ink on paper unless the state and taxpayer each agrees to substitute one or more facsimile signatures. A facsimile signature for purposes of these procedures is a signature created or transferred by fax machine, over the internet as an image, or by similar technology, which the sender intends to be used to indicate and memorialize the sender's acceptance of an MVD contract.

20.3. The *Commission* may communicate with *states* and taxpayers through the internet, including its world wide web and electronic mail features. However, unless authorized in writing by the taxpayer or adequate encryption or reasonable safeguards are used, neither the *Commission* nor a *state* shall transfer over the internet in a manner susceptible of interception by an unauthorized person any confidential taxpayer information, such as a taxpayer's name, taxpayer identification number, telephone number, address, amount owed, factual circumstances, et cetera.

21. Non-Member States

21.1. If sufficient resources are available, the *Commission* may offer voluntary disclosure services to *states* that are not members of the National Nexus Program as a convenience to a taxpayer requesting such services and as a way for the state to become familiar with the *Commission*'s voluntary disclosure services.

21.2. A *state* that participates in the multi-state voluntary disclosure process as a non-member *state* of the National Nexus Program shall not be required to take any action or refrain from taking any action as a result of these Procedures of Multi-state Voluntary Disclosure, but it is encouraged to abide by them voluntarily.