



**Minutes of the Annual Business Meeting  
of the Multistate Tax Commission**  
August 4, 2021

**I. Roll Call of the States**

The Chair, Keith Richardson, called the Commission’s annual business meeting to order at 2:01 p.m. A roll call of states present was taken and Scott Pattison, Deputy Executive Director, announced that a quorum was in attendance. Listed below are the attendees:

Alabama	Michaelyn Adams, Vernon Barnett, Missy Gillis, Tim Sanders, Matt Tidwell
Alaska	Nicole Reynolds
Arkansas	Scott Fryer, Alisha Austin Smith
California	Laurie McElhatton (FTB), Katie Frank (FTB)
Colorado	Brendon Reese, Kathy Mui
Delaware	Jennifer Noel
District of Columbia	Keith Richardson, Alan Levine, Nirmail Dhaliwal, Robert Kindred,
Idaho	Tom Shaner, Phil Skinner
Iowa	Hristo Chaprazov
Kansas	Michael Hale
Kentucky	Brad Asher, Latonia Dooley
Louisiana	Krystal Bolton, Stacey Greaud
Maine	John Lewandowski
Maryland	Amanda Atwood, John Werner, Kyle St Denny
Massachusetts	Michael Fatale
Michigan	Angela Matelski
Missouri	Maria Sanders
Nebraska	Jan Polasky
New Hampshire	Fred Coolbroth, John Frasier
New Jersey	John Ficara
New Mexico	Stephanie Schardin Clarke
North Dakota	Dan Rouse, Dee Wald, Matthew Peyerl
Oregon	Katie Lolley, Joseph Royston
Rhode Island	Theriza Iafrate, Rahul Sarathy, Neena Savage
Texas	Karey Barton, Julio Mendoza-Quiroz, Lavonne Key
Utah	John Valentine, Jason Gardner
Washington	Matthew Largent
Wisconsin	Jayne Kulberg
Multistate Tax Commission	Chris Barber, Holly Coon, Richard Cram, Lila Disque, Wanda Dorsey-Jenkins, Bruce Fort, Brian Hamer, Helen Hecht, Loreta King, James Lee, Greg Matson, Nicholas Polimeros, Nancy Prosser, Shawn Rao, Thomas Shimkin, Lawrence Shinder, Jeff Silver, Kim Stewart, Tom Shimkin, Sherry Tiggett, Scott Pattison
Amazon	Jessie Eisenmenger
Avalara	Scott Peterson

Bloomberg Tax	Tripp Baltz
CBPP	Michael Mazerov
COST	Erica Kenney
Fast Enterprises, LLC	Virgil T. Helton, Will Rice, John Vecchiarelli
FTA	Ryan Maness
Law360	Maria Koklanaris, Paul Willians
PwC	Ferdinand Hogroian
Sales Tax Solutions	Clara Cooper
Sanmar	Dana Steffens
SSTGB	Craig Johnson
Tax Analysts	Amy Hamilton
Wolters Kluwer	Andrew Soubel
Others attending	Barbara Beelle, Karen Boucher, Alex Cruz, Greg Gaffaney, Kimberly Hodge, Antoinette Hodges, Paul Hoyt, Terri Hoyt, Kristie Latrou, Joshua Lin, Jeff McCrary, Rob Plattner, Morgan Scarboro, Melissa Schulz, Michael Sheehan, Rachel Trickett, Zain Williams

**II. Presentation of the 2021 Paull Mines Award**

Nancy Prosser, general counsel, presented the 2021 Paull Mines Award to Rob Plattner, senior advisor, New York State Senate Finance Committee, noting that Rob was nominated by Michael Fatale (Massachusetts) a past recipient of the award. Ms. Prosser highlighted Mr. Plattner’s very impressive career in state taxation, including his innovative work in developing “click-thru nexus,” marketplace facilitator tax collection legislation, and most recently, a proposal to tax digital information. She also recalled the life of Paull Mines, distinguished former MTC general counsel. Mr. Plattner expressed his deep gratitude for this coveted award and thanked all those who have worked with him throughout his career.

**III. Initial Public Comment Period and Other Communications**

Michael Mazerov, senior fellow, Center on Budget Policies and Priorities, extended his congratulations to Rob Plattner, his long-time friend and colleague, on the award. Mr. Mazerov also expressed many thanks to the Commission, Uniformity Committee, Helen Hecht, uniformity counsel, and others involved in completing the uniformity proposal for the Proposed Model Statute for Combined Reporting – “Finnigan method,” to be voted on later during this meeting. Mr. Mazerov noted that he had recommended this project be undertaken and is delighted to see it now completed and ready for approval.

**IV. Approval of Minutes of the Annual Business Meeting Held on July 29, 2020**

The minutes of the Commission’s annual business meeting on July 29, 2021, held virtually, were approved unanimously by roll call vote following the motion of John Valentine (Utah).

## **V. Report of the Treasurer**

Karey Barton (Texas) presented the proposed budget for FY 2022 budget, which reflects a 1% total membership assessment fee increase, as well as 1% increases in Joint Audit Program and National Nexus Program fees. Total membership assessment fees were last increased in FY 2020. Audit program FTEs have been reduced by 3, due to two states having dropped out of the Program beginning in FY 2021. The proposed FY 2022 budget includes an MTC staff salary adjustment of 3%.

Dee Wald (North Dakota) moved for ratification of the Executive Committee's April 29, 2021, approval of the proposed FY 2022 budget. The following members voted in favor of the motion: Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Idaho, Kansas, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, Texas, Utah, Washington. No states abstained or voted against the motion. Pattison, deputy executive director, announced that the motion passed, the vote total having exceeded the approval requirement for a majority vote of compact members, and a combined majority vote of compact and sovereignty members.

## **V. Report of the Executive Director**

Greg Matson, executive director, highlighted MTC staff and program accomplishments contained in his written annual report. He noted that the Commission had adjusted rapidly and effectively to the pandemic challenges and the remote work environment, with a few staff members continuing to come into the headquarters office as needed, and more doing so now. He also highlighted the staff's emphasis on developing and providing online training, including the implementation of a new learning management system.

## **VI. Reports of the Executive Committee and Other Committees**

### **A. Committee Reports**

#### **1. Executive Committee**

Mr. Matson reported that the Executive Committee met four times virtually during the period July 1, 2020, to June 30, 2021. These meetings are documented in his written report and the minutes of the meetings. He referred those interested to his written report for additional details.

#### **2. Audit Committee**

Holly Coon, Joint Audit Program director, gave the report. The committee met three times during the year by teleconference to discuss audit issues and oversee the Commission's Joint Audit Program. The program proposed net assessments for income tax of over \$40 million and over \$9 million for sales/use tax. The Commission has developed online training in statistical sampling for Georgia,

and is in the process of developing online training for market based sourcing, with the help of Michael Fatale (Massachusetts), to be completed this fall.

### **3. Litigation Committee**

Ms. Wald, chair, gave the report. The committee held five virtual roundtables during FY 2021, including in-depth presentations on significant state tax cases around the country and shorter presentations by attendees. Two were focused on income and other business activity taxes, and two on sales and other transaction taxes. The committee also held a special virtual training and informational session captioned: State Tax Attorneys Discuss Their Most Memorable Cases.

### **4. Nexus Committee**

Jayne Kulberg (Wisconsin), vice-chair, delivered the report. The committee met three times during FY 2021. Collections from the National Nexus Program's voluntary disclosure agreements exceeded \$21 million. The number of contracts entered into were 411. Delaware has rejoined the Program, effective FY 2022.

### **5. State Intercompany Transactions Advisory Service (SITAS) Committee**

Krystal Bolton (Louisiana), chair, delivered the report. The committee met twice virtually during the fiscal year. The committee conducted an interest survey, with state representatives responding that they were interested possible information exchange/audit collaboration and training opportunities. Respondents also indicated that it was extremely important that states work together to address improper income shifting by multinational/multistate corporations. MTC staff is currently awaiting signed contracts from states wishing to participate in the SITAS Committee.

### **6. Report of the Strategic Planning Committee**

John Ficara (New Jersey), chair, delivered the report. The committee created a work group on training, and the work group met virtually several times this fiscal year. The work group examined MTC training, provided feedback on the best training options, made a report with recommendations for additions and adjustments to the training program, including use of multiple training formats, improved virtual opportunities, perpetually available trainings, regular evaluations and flexibility. A survey also found that most respondents want to send staff members to MTC trainings, and a reasonable number would be willing to pay a fee for training.

### **7. Report of the Uniformity Committee**

Maria Sanders (Missouri), chair, delivered the report. The committee completed two projects: (1) an alternative to the Commission's combined filing model applying the *Finnigan* method of apportionment; and (2) update to the statement

on P.L. 86-272 as it applies to activities facilitated by the Internet. Two new projects are in the work group stage: (1) state taxation of partnerships; and (2) sales taxation of digital products. Ms. Sanders expressed the sorrow of committee members for the recent loss of Tommy Hoyt (Texas), who had been the committee chair and a wonderful contributor.

### **B. Commission Action on Executive and Other Committee Reports**

Neena Savage (Rhode Island) moved for approval of the Executive Committee's report and other committee reports presented, as well as ratification of all actions of the Executive Committee during FY 2021. The following states voted in favor of the motion: Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Idaho, Kansas, Michigan, Missouri, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, Texas, Utah, Washington. No states abstained or voted against the motion. Pattison announced that the motion passed, the vote total exceeding the approval requirement for a majority vote of compact members, and a combined majority vote of compact and sovereignty members.

## **VII. Unfinished Business**

There was no unfinished business to be considered at this meeting.

## **VIII. New Business**

### **A. Vote on Proposed Revisions to the Statement of Information Concerning Practices of the Multistate Tax Commission and Supporting States Under Public Law 86-272**

Ms. Hecht described the proposal and its background. Michael Hale (Kansas) moved for approval of the proposal. The following states voted in favor of the motion: Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Idaho, Kansas, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, Texas, Utah, Washington. No states abstained or voted against the motion. Mr. Pattison announced that the motion passed, the vote total exceeded the approval requirement for a 60% majority vote of compact members, and a combined 60% majority vote of compact and sovereignty members.

### **B. Vote on Proposed Model Statute for Combined Reporting – “Finnigan Model”**

Ms. Hecht described the proposal and its background. John Valentine (Utah) moved for approval of the proposal. The following members voted in favor of the motion: Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Idaho, Kansas, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, Texas, Utah, Washington. No states abstained or voted against the motion. Mr. Pattison announced that the motion passed, the vote total exceeded the approval requirement for a 60%

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majority vote of compact members, and a combined 60% majority of compact and sovereignty members.

**IX. Report of the Resolutions Committee**

Mr. Matson presented the report and introduced a slate of honorary resolutions that were not read, but available in written materials. Mr. Matson then read Resolution No. 2021G, entitled "In Memory of Tommy Hoyt." Upon a motion by Brendon Reese (Colorado), the Commission unanimously voted acceptance of the resolutions collectively, pursuant to the roll call vote taken.

**X. Report of the Nominating Committee**

Mr. Matson presented the report of the Nominating Committee, including a slate of nominees to fill the officer and at-large positions on the Executive Committee for 2021-2022:

- Chair: Vernon Barnett, Commissioner of Revenue, Alabama
- Vice Chair: Stephanie Schardin Clarke, Cabinet Secretary, New Mexico Taxation and Revenue
- Treasurer: Glenn Hegar, Comptroller of Public Accounts, Texas
- At-Large Members:
  - Charlie Collins, Deputy Director and Commissioner of Revenue, Arkansas Department of Finance and Administration
  - Betsy Imholt, Director, Oregon Department of Revenue
  - Lucinda Mahoney, Commissioner of Revenue, Alaska
  - Vikki Smith, Director, Washington Department of Revenue

There were no nominations from the floor.

**XI. Election of Officers and Executive Committee**

Brendon Reese (Colorado) moved to accept the slate of nominees presented in the Nominating Committee report, and the following members voted in favor of the motion: Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Idaho, Kansas, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, Texas, Utah, Washington. No states abstained or voted against the motion. Pattison announced that the motion passed, the vote total exceeding the approval requirement for a majority vote of compact members, and a combined majority vote of compact and sovereignty members.

**XI. Report of the Chair**

Chair Keith Richardson expressed congratulations to the new slate of officers and other members of the Executive Committee and offered his support going forward, stating that it had been an honor to have served as Chair. He also thanked Mr. Matson for his leadership and expressed gratitude to other members of the MTC staff, including Mr. Pattison, Ms. Prosser, Ms. Hecht, and Wendy Margolis, whom he worked closely with in completing financial tasks for the Commission. He praised the Commission for its quick adaptation to conditions imposed by the pandemic and the transition from in-person to virtual meetings. He hoped that the transition back to in-person meetings will be soon. Mr. Matson in turn expressed his thanks to the Chair for his support and sound advice, particularly in meeting the challenges brought on by the pandemic. Mr. Matson presented to him (virtually) a plaque for his service.

**XIII. Comments by Chair-Elect**

Chair-Elect Vernon Barnett (Alabama) expressed thanks for the confidence placed in him in this new role, and stated how deeply honored he will be to serve. He looks forward to working with everyone at the upcoming Executive Committee meeting.

**XIV. Adjournment**

Upon motion of Mr. Barnett (Alabama), and with no objections being raised, the Commission adjourned at 4:15 p.m. pursuant to unanimous consent.