



**Minutes of the Executive Committee Meeting
of the Multistate Tax Commission**
April 22, 2022

I. Call to Order and Attendance

Vice Chair Stephanie Schardin Clarke (New Mexico) called the Executive Committee meeting to order at 8:34 a.m. A roll call of states present was taken. Scott Pattison, deputy executive director, announced that a quorum was present. The meeting attendees are listed below:

Alabama	Vernon Barnett,* Christina Hall
Alaska	Nicole Reynolds
Arizona	Felicia Gillis, Manishaban Patel
Arkansas	Deanna Munds-Smith*
California	Laurie McElhatton (FTB),* Katie Frank*
Colorado	Russell Johnson, Josh Pens, Brendon Reese, Esther van Mourik
Delaware	Jennifer Noel*
District of Columbia	Elissa Borges, Keith Richardson*
Hawaii	Jonathan White*
Idaho	Tom Shaner
Illinois	Rebecca Kulekowskis
Kansas	Michael Hale*
Kentucky	Victoria Nichols*
Louisiana	Stacie Greaud,* Krystal Bolton*
Maryland	Renee Nacrelli, Brian Oliner, Jessica Wisner*
Missouri	Maria Sanders
Montana	Derek Bell
New Jersey	John Ficara*
New Mexico	Stephanie Schardin Clarke, Emily Oster,* Claudette Chavez, Sherre Franklin*
North Dakota	Dee Wald, Mat Peyerl
Oregon	Katie Lolley
Texas	Phillip Ashley
Utah	Frank Hales, Angie Hillas
Washington	Gil Brewer, Bryan Kelly

Multistate Tax Commission	Chris Barber, Holly Coon, Richard Cram, Bruce Fort, Brian Hamer, Helen Hecht, Greg Matson, Scott Pattison, Nancy Prosser, William Six,* Wendy Margolis,* Loretta King*
Amazon	Jessie Eisenmenger
Avalara	Scott Peterson*
Bloomberg Tax	Michael Bologna
Charter Communications	Olga Kourdova*
COST	Erica Kenney, Karl Frieden*
Fast Enterprises, LLC	Virgil T. Helton
Intuit	John Mollenkamp
RSI	Dave Smith*
SSTGB	Christie Comanita
Tax press	Amy Hamilton
Wolters Kluwer	Andrew Soubel*

*Attended virtually

II. Initial Public Comment Period and Other Communications

No public comment was offered.

III. Approval of Minutes of the Executive Committee Meeting Held on November 11, 2021

The minutes of the Executive Committee meeting held on November 11, 2021, in Alexandria, Virginia were approved by unanimous voice vote following the motion for approval by Brendon Reese (Colorado).

IV. Report of the Chair

Chair Vernon Barnett (Alabama), attending virtually, had no comments. The Vice Chair thanked everyone for attending, hoped everyone enjoyed their stay, and thanked MTC staff for a great series of meetings in Albuquerque. She asked for any comments from Executive Director Greg Matson who stated that volunteers are needed to fill vacancies on the Nominating Committee and Resolutions Committee. The Vice Chair and Keith Richardson volunteered for the Nominating Committee, and Gil Brewer (Washington) volunteered for the Resolutions Committee.

V. Report of the Treasurer

Treasurer Phillip Ashley (Texas) presented for review and approval the proposed Fiscal Year 2022 – 2023 Budget. He reported fee increases in the Nexus and Audit Programs, but membership fees have been reduced due to California recently joining as a sovereignty state. Expenditures show increases for staff health insurance, a 4% staff salary increase,

and the filling of new and vacant positions. Keith Richardson moved for approval of the Budget, which motion was approved by unanimous voice vote.

The Treasurer presented for review and approval the Financial Report for the period July 1, 2021, through February 28, 2022, which reflects some surpluses due to less travel and conference expenses resulting from pandemic. These more than offset any expense overages. Dee Wald (North Dakota) moved for approval of the Financial Report, which motion was approved by unanimous voice vote.

VI. Executive Director Report

Greg Matson presented his report, highlighting the fact that California joined the Commission as a sovereignty state last fall. He added that Vermont will be joining as sovereignty state as of July 1, 2022. He requested that the Executive Committee give its blessing on Vermont joining as a sovereignty member. He indicated that the Joint Audit Program is having a banner year, with \$93 million income tax assessments, \$3.4 million in sales tax assessments. The Nexus Program is also having a good year, with the program's software having been recently updated. MTC legal staff is doing well, garnering a lot of good attention, and providing excellent attorney training. The Uniformity Committee is handling some big projects, taxation of partnerships and digital products, and receiving good input from the public sector and outside groups. The legal staff has provided strong litigation support to states by filing many amicus briefs.

He noted the recent retirements of Legislative Counsel Thomas Shimkin and Senior Auditor George Fung, the recent hiring of Melody Moncrief (part-time) for the Joint Audit Program, and the upcoming hirings of Jonathan White as a new attorney in Legal Staff and Susan Carlson as the E-Learning Specialist.

Staff in the D.C. office are currently following a hybrid work policy, coming into the office at least one day a week.

He mentioned the new networking "wind down" sessions to the Spring Meetings to enhance the in-person networking experience of attendees. He thanked MTC Staff members Sherry Tiggett, Wanda Dorsey-Jenkins, Sabrina Worthington, and Loretta King for their hard work in preparing for the Albuquerque meetings. He also solicited any suggestions for presenters to outside groups and as panel participants.

The Vice Chair asked if there were any comments or objections concerning Vermont becoming a sovereignty state, and there were none.

VII. Other Reports

The following standing committee reports were presented:

Audit Committee—Frank Hales (Utah), Chair, complemented the MTC Audit Staff and Joint Audit Program Director Holly Coon. MTC Audit Staff reported on the progress of current audits. The Committee received the SALT case report in Alexandria. Holly Coon stated that the numbers for audit assessments reflected the current fiscal year through the end of March 2022.

Litigation Committee—Dee Wald (North Dakota), Chair, reported that transition to virtual meetings went well, and MTC legal staff did a great job in selecting topics for those. She expressed enthusiastic thanks to Counsel Brian Hamer and other staff attorneys. Two virtual roundtables for public sector attorneys were held, one on income tax cases and one on sales tax cases, and attorney training was held in person and virtually at the Alexandria and Albuquerque meetings. She expressed thanks to MTC Legal Staff—especially for Brian’s efforts in increasing the roster of participating attorneys. She also complemented MTC Legal Staff—especially for Chris Barber’s and Lila Disque’s technical expertise and assistance in facilitating virtual meetings.

Nexus Committee—Brian Kelly (Washington), Vice Chair, reported on the Committee’s three meetings during the fiscal year. National Nexus Program Director Richard Cram walked through the new online voluntary disclosure application. At the April meeting in Albuquerque, the Committee reviewed the survey of the states on the current policy making ineligible for voluntary disclosure applicants with prior contact with the state concerning the tax type for which the applicant is seeking voluntary disclosure for. Cram also gave a presentation on state tax issues concerning nonfungible tokens. Kelly noted that states are seeing strong increases in voluntary disclosure revenues, due to marketplace changes and remote sellers coming forward. The Committee encourages participating states to give presentations on discovery and compliance initiatives.

SITAS Committee—Holly Coon, on behalf of Krystal Bolton (Louisiana), Chair, presented the report. The Committee met twice virtually during the fiscal year. At the July meeting, the Committee reviewed the revised information exchange agreement to remove the obligation of a state to participate in SITAS Program. Otherwise, the agreement remained the same as the 2016 version. Five states have now joined the SITAS Program.

Strategic Planning Committee—John Ficara (New Jersey), Chair, reported that the Committee met in person in Alexandria, Virginia, and again in person in Albuquerque, New Mexico, on April 22, 2022. Since it has been several years since the last review of MTC strategic plan, an update review is underway.

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Uniformity Committee—Maria Sanders (Missouri), Chair, reported that the Committee has the partnership project and digital goods taxation project. Sanders stated that Laurie McElhatton (California), Vice Chair, has worked with Counsel Chris Barber on partnership project research, and the Commission’s legal staff continues work with the states on the digital goods taxation project, and expressed appreciation to General Counsel Nancy Prosser and Uniformity Counsel Helen Hecht. Richard Prisinzano, Director of Policy Analysis, Penn Wharton Budget Model, gave an excellent presentation on partnership taxation at the Albuquerque meeting. Two items were brought forward at that meeting. First, Nikki Dobay (Eversheds Sutherland) made a public proposal to develop a uniform power of attorney form that states will accept. MTC staff will research the Streamlined Sales Tax power of attorney form, seek further input, and report back on the feasibility of developing such a form. Second, it was proposed that the standing subcommittee should review existing model rules to see if those need to be updated. Maria complemented the legal staff for doing very valuable work, giving a special thanks to Helen Hecht, as well as to Chris Barber on his partnership tax research work and his technical assistance in keeping Committee meetings running smoothly.

There was no other committee business.

VIII. Uniformity Matters

There were no uniformity matters to be considered at this meeting.

IX. Upcoming Meetings & Events

Greg Matson announced the following meeting schedule, all meetings currently planned to be in person —

- 55th Annual Conference and Meetings, July 31 to August 5, 2022 – Anchorage, Alaska. This will be the first in-person annual Commission meeting since 2019. He noted that there is a “physical presence” rule for a quorum, and he will be reaching out to compact and sovereignty states to ensure we have quorum there.
- 2022 Fall Committee Meetings, November 13-18, 2022 – Little Rock, Arkansas
- Staff is working on scheduling April 2023 Spring Committee meetings in Long Beach, California
- 2023 Annual Meeting and 2024—He asked states interested in possibly hosting to please contact MTC staff.

X. Adjournment

Maria Sanders (Missouri) moved to adjourn the meeting, and the Vice Chair Stephanie Chardin adjourned the meeting following unanimous voice vote in favor of the motion at 9:40 a.m.