



MULTISTATE TAX COMMISSION

**Policy Resolution in Support of
the Uniform Law Commission Project to Revise the Uniform Division of Income for
Tax Purposes Act**

Whereas, the Multistate Tax Commission has initiated a project to develop recommended amendments to Article IV of the Multistate Tax Compact; and

Whereas, Article IV of the Multistate Tax Compact provides the method for apportionment of state corporate income and franchise tax bases and incorporates, virtually word for word, the Uniform Division of Income for Tax Purposes Act (UDITPA); and

Whereas, UDITPA was originally drafted in 1957 by the National Conference of Commissioners on Uniform State Laws (NCCUSL), now called the Uniform Law Commission (ULC); and

Whereas, of the forty-seven states with a corporate income or franchise tax, thirty-six have adopted, in one form or another, all or substantial parts of UDITPA, and the remaining eleven states employ its concepts; and

Whereas, substantial uniformity in apportionment of state tax bases is critical to efficient and fair administration of state taxes, and ultimately to state tax sovereignty; and for fifty years UDITPA, has been the foundation for that uniformity; and

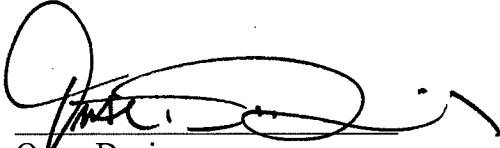
Whereas, American business and economic structures have changed substantially since 1957, and certain UDITPA provisions are now in critical need of targeted modernization; and

Whereas, in recognition of the historic relationship between the Compact and UDITPA, the Commission recommended the ULC develop amendments to those provisions of the Act most in need of modernization; now therefore be it

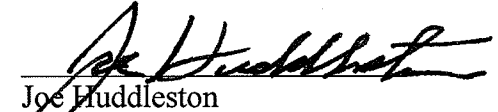
RESOLVED, that the Multistate Tax Commission urges the ULC to revise UDITPA so to bring this cornerstone of the fair and equitable apportionment of income earned in interstate commerce into the 21st century; and be it further

RESOLVED, that the Commission stands ready to assist the ULC in its work to revise UDITPA, in whatever manner is appropriate.

Adopted this 31st day of July 2008 by the Multistate Tax Commission.



Omar Davis
Chair


Joe Huddleston
Executive Director

This Resolution shall expire on July 31, 2013.