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National Nexus Program (NNP) Director's Report for 1st Quarter FY 2022 November 10, 2021

Multistate Voluntary Disclosure Program (MVDP)

The Nexus Program 1st Quarter FY 2022 results (July 1, 2021 through September 30, 2021) are provided below.

- Nexus states' collections: \$11,887,537 (FY 2021: \$20,269,587)
- Nexus states' executed agreements: 88 (FY 2021: 411)
- Nexus states' average contract value: \$135,086 (FY 2021: \$49,318)

The above amounts include checks received by the Commission or amounts paid by the taxpayer directly to the states and reported to the Commission. Interest on back tax paid and the value of a new taxpayer are not included. Applications continue to increase in the post-*Wayfair* era above what they were before that decision. The Commission received applications from 296 taxpayers in calendar year 2020. So far this calendar year 2021 (as of September 30, 2021), 160 taxpayers have applied. Most of the applications continue to be based on sales tax economic nexus.

Membership

We welcome Delaware back to the National Nexus Program, effective July 1, 2021. There are currently thirty-nine participating states (including the District of Columbia) in the NNP. Commission staff continues to reach out to non-member states.

Outreach

In 1st Quarter FY 2022, Richard participated in the following outreach events: virtual presentation to New Mexico Legislative Finance Committee on July 22, 2021 to provide update on sales/use tax economic nexus and marketplace facilitator laws,

current Uniformity Committee projects, and Multistate Voluntary Disclosure Program.

virtual presentations on August 11, 2021 on MyCPE.com platform and on CPAAcademy.com platform on September 29, 2021 covering seller issues with sales/use tax economic nexus and marketplace facilitator laws, and explanation Multistate Voluntary Disclosure Program;

virtual presentation on September 14, 2021 on MyCPE.com platform describing voluntary disclosure using the Multistate Voluntary Disclosure Program;

co-panelist at Paul J. Hartman SALT Forum in Nashville, TN on October 28, 2021 with Steve Jasper, Jessica Morgan, and Victoria Torchen in session entitled: "You Sneeze! What Isn't Nexus Anymore?"

Staff continues to urge states to put a link to the NNP on their voluntary disclosure web pages.

Nexus School

Nexus School for income tax is currently scheduled for Salem, Oregon for May 18-19, 2022. Information on registration will be published on the MTC website in the future. Please let a member of the Commission staff know if your state would like to host a Nexus School.

Amnesties

The NNP posts on its web page a list of upcoming and current state tax amnesties. Please inform NNP staff if you would like the Commission to post your state's amnesty.

Staffing

The Nexus Program presently has four permanent full-time staff members: Richard Cram, Director, Diane Simon-Queen, Voluntary Disclosure Program Manager, Michelle Lewis, Paralegal, and James Lee, Program Specialist.

Richard Cram, Director, National Nexus Program