



Resolution 04-01

Resolution Endorsing Recommendations Made by the Multistate Tax Commission State Tax Compliance Initiative

Whereas, in April 2003 the Multistate Tax Commission Executive Committee authorized a State Tax Compliance Initiative to develop methods of improving tax compliance in the areas of business income tax sheltering, pass-through entity owner income reporting, and sales and use taxes, including business use tax and nexus issues; and

Whereas, development of the compliance initiative was assigned to a Steering Committee that in turn created three work groups, one focusing on pass-through entities, the second on sales and use tax compliance, and the third on business income tax sheltering; and

Whereas, each work group has met several times via teleconference and in person since April, 2003 to discuss and develop ideas for improving tax compliance; and

Whereas, these work groups have developed recommended initiatives for increasing compliance in these areas; and

Whereas, the State Tax Compliance Steering Committee has reviewed the reports filed by each work group and has approved their recommended initiatives during April, May and June 2004 for further action by the Executive Committee; and

Whereas, the Executive Committee has received and approved these recommended initiatives in July 2004 and directed their implementation; and

Whereas, the value of these reports to state tax administrators and state tax compliance programs are dependent upon their accessibility, and can be found at Appendix A to this Resolution, as well as the Multistate Tax Commission website at www.mtc.gov; now, therefore, be it

RESOLVED, that the Multistate Tax Commission endorses the initiatives recommended by the State Tax Compliance Steering Committee and

approved by the Commission and recommends their implementation; and be it further

RESOLVED, that the Multistate Tax Commission commends the work groups for their hard and unflagging work on developing recommendations for improving compliance with respect to pass-through entities, business income sheltering, and sales and use taxes; and be it further

RESOLVED, that all states are urged to implement these recommendations; and be it further

RESOLVED, that all states work together on joint strategies to foster compliance, and to actively work on those recommendations that require further development.

Adopted this 30th day of July 2004 by the Multistate Tax Commission.

Dan R. Bucks
Executive Director

This resolution shall expire at the end of the Annual Business Meeting of the Multistate Tax Commission in 2009.