



MULTISTATE TAX COMMISSION

Minutes of the Executive Committee Meeting

April 27, 2023 ,at 9am PDT

Hyatt Regency Long Beach, 200 S. Pine Avenue, Long Beach, CA 90802

I. Call to Order and Attendance

Vice Chair Stephanie Schardin Clarke (New Mexico) called the business meeting to order at 9:00 a.m. PDT. Scott Pattison, deputy executive director, announced that a quorum was in attendance. Listed below are the attendees (*virtual or telephone):

Alabama	Vicki Gardino, Christina Hall, Matt Tidwell
Alaska	Michael Williams
Arizona	Felicia Gillis*
California	Laurie McElhatton (FTB), Katie Frank (FTB)*
Colorado	Brendon Reese, Josh Pens, Esther Van Mourik, Sarah Roberts, Kathy Mui*
District of Columbia	Robert Kindred
Idaho	Tom Shaner, Phil Skinner, Aaron Yost
Kansas	Michael Hale*
Louisiana	Krystal Bolton*, Stacey Greaud*
Maryland	Renee Nacrelli
Michigan	Angela Matelski
Minnesota	Cassie Diemert*
Missouri	Sal Tomaselli*
New Hampshire	Lyndsey Stepp*
New Jersey	John Ficara*
New Mexico	Stephanie Schardin Clarke*, Claudette Chavez*
North Dakota	Dee Wald*, Matthew Peyerl
Oregon	Katie Lolley
South Dakota	Kathy Smith*
Texas	Phillip Ashley*, Ray Langenberg
Utah	Frank Hales, Angie Hillas, Shelley Robinson
Washington	Gil Brewer, Bryan Kelly
West Virginia	Emily Cramer, Tim Waggoner
Multistate Tax Commission	Chris Barber, Susan Carlson, Holly Coon, Richard Cram, Lila Disque, Bruce Fort, Brian Hamer, Helen Hecht, Loretta King*, Greg Matson, Nancy Prosser, Jennifer Stosberg, Sherry Tiggett, William Six*, Scott Pattison, Larry Shinder, Jeff Silver, Jonathan White
Bloomberg Tax	Michael Bologna
Charter Communications	Olga Kourdova*
COST	Stephanie Do*
Eversheds-Sutherland	Catolina Baron*
Fast Enterprises, LLC	Virgil T. Helton, Will Rice
FTA	Sharonne Bonardi, Ryan Minnick

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Greenberg Traurig LLP	Nikki Dobay
Law360	Paul Williams*
SSTGB	Craig Johnson*
Wolters Kluwer	Andrew Soubel*
Others attending	Alynn Hamilton*

II. Initial Public Comment Period

No public comments were made.

III. Approval of Minutes of the Executive Committee Meeting Held on November 17, 2022

The minutes of the Executive Committee meeting on November 17, 2022, in Little Rock, Arkansas, were approved unanimously by voice vote following the motion for approval of Brendon Reese (Colorado).

IV. Report of the Chair

The vice chair thanked the Commission staff for arranging the Long Beach meetings and also thanked the various committees for their hard work in the meetings.

At the request of the vice chair, Brendon Reese (Colorado) volunteered to chair the Resolutions Committee and Vernon Barnett (Alabama) volunteered to chair the Nominating Committee.

V. Report of the Treasurer

Philip Ashley (Texas) presented for approval the proposed Commission budget for FY 2024. He summarized the cover memo and explained the budget process: the Executive Committee approves the proposed budget at its Spring meeting, and if approved, the proposed budget is then presented for ratification by the Commission at its annual meeting in the summer. The proposed budget reflects continuation of current services. There are marginal increases due to inflation, which are in line with expectations. Commission staff health insurance premiums show an increase of 5%, and Commission staff salaries include a 4% upward adjustment. No new positions are planned. Detailed revenue and expense tables and the fee obligations are available.

The vice chair commented that the format of the proposed budget is easy to digest for members and the public. There were no questions. Brendon Reese (Colorado) moved for approval of the proposed budget for FY 2024, and it was approved unanimously by voice vote.

VI. Committee Reports

A. Audit Committee

Frank Hales (Utah), chair, reported that the Committee met August 1 in Anchorage, Alaska, November 16 in Little Rock, and April 26 in Long Beach. The Alaska meeting had great participation with 98 attendees in the open session. Commission legal staff provided an update on SALT cases at both meetings. Twenty-six program states attended the Anchorage meeting. Twenty-seven program states attended the Little Rock meeting. The Long Beach meeting was also well attended. At each meeting, the Committee discussed audit status and received great presentations by Commission legal staff.

B. Litigation Committee

Ray Langenberg (Texas), the new chair, gave the report and stated that planning for attorney training is a never-ending job. He praised the work of Commission staff attorneys Brian Hamer and Jennifer Stosberg for doing an excellent job in planning and coordinating the training for the April 24 meeting. He is very proud of the high-quality presentations and commended having state attorneys report on key tax cases. Survey results showed a consensus for including virtual attendees at future Committee round tables.

C. Nexus Committee

Bryan Kelly (Washington), chair, presented the Nexus Committee report, stating that the committee has met three times thus far this fiscal year and meeting participation has been good. Some states are seeing elevated numbers of voluntary disclosure applications and have resource issues in processing them, which is a good problem to have. In-person committee meetings provide a valuable networking opportunity, in addition to a learning opportunity on various topics covered at those meetings. The committee heard informative presentations at its summer and fall meetings.

D. Strategic Planning Committee

John Ficara (New Jersey), chair, delivered the report. The committee met in person in at the summer and fall meetings. Results of the survey seeking feedback on the Commission mission, values, challenges, strengths, indicated agreement that there would be no need for significant revisions to the current document. A final report on this will be presented for action to the Executive Committee. Scott Pattison provided an update on training opportunities.

E. Uniformity Committee

Lauri McElhatton (California), chair, gave the report, noting that Maria Sanders (Missouri), the prior chair, had stepped down and that she is now chair, with Phil Skinner (Idaho) the new vice chair. At the committee's April 25 meeting, Craig Johnson, executive

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director of the Streamlined Sales Tax Governing Board; Debra Bierbaum, Multistate Associates; and Tim Jennrich (Washington) gave a detailed history of the Streamlined Sales Tax Project and the work it had accomplished in the digital products taxation area. Also, the committee reviewed its workgroups' progress on three large ongoing projects, and the committee provided positive feedback for continuing work on these:

1. Gill Brewer (Washington), chair of the digital products workgroup, presented a summary of the project, which started monthly meetings last September. A survey of workgroup members indicated that they want to consider a broad range of possibilities.
2. Lauri McElhatton, chair of the partnership work group, reported that it was created a year ago and has had great participation from states and public. So far, the workgroup has developed a list of possible issues in outline form, has drafted a white paper on taxation of investment partnership income, and is working on a model that will consider different approaches. A white paper on tax treatment of guaranteed payments is being developed.
3. Katie Frank (California), chair of the workgroup for the receipts sourcing regulations review and update project, reported that the committee opted last August to create this workgroup in response to the trend for states to adopt market-based sourcing, causing the need for updating the current model sourcing regulations. The workgroup is currently looking at special industry regulations, specifically the trucking and airlines industry receipts sourcing regulations.

VII. Report of the Executive Director

Greg Matson, executive director, highlighted Commission staff accomplishments and noted that there were many presentations and articles recently published by Commission staff members. Mr. Matson noted he would appreciate suggestions for speakers from state tax department staff who can participate as speakers at various state and local tax conferences. He praised the large benefit to the Commission from volunteer work by members of the standing committees.

VIII. Uniformity

There were no Uniformity projects for action and no other Uniformity matters.

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IX. Upcoming Meetings and Events

Mr. Matson stated that the upcoming 56th Annual Conference and Meetings of the Commission will take place in Austin, Texas on July 24 through 27, 2023, and the Fall Committee Meetings will take place in Montclair, New Jersey on November 13-16, 2023.

X. Adjournment

The vice chair thanked all of the committee chairs for their hard work. Upon motion of Frank (Utah), and with no objections being raised, the Executive Committee adjourned at 10:30 a.m. PDT pursuant to unanimous consent.