



## **MTC Uniformity Committee DRAFT MINUTES of MEETING**

**July 25, 2023  
Austin, Texas**

### **I. Welcome and Introductions**

Laurie McElhatton (California), Chair, and Phil Skinner (Idaho), Vice Chair welcomed the state members of the committee and members of the public. (See attendee list attached.)

### **II. Initial Public Comment**

There was no initial public comment.

### **III. Approval of Minutes & Amendments to Charter**

Vice Chair Skinner reviewed the minutes of the prior meeting on April 19, 2023. Aaron Yost, Idaho, moved approval of the minutes as drafted. See here: <https://www.mtc.gov/wp-content/uploads/2023/07/Uniformity-Committee-Minutes-of-April-2023-FINAL.pdf>. The minutes were approved without objection.

Helen Hecht, MTC Uniformity Counsel, reviewed proposed amendments to the committee charter. See here: <https://www.mtc.gov/uniformity/uniformity-charter/>. Frank Hales, Utah, moved approval of the amendments to the charter as drafted, which were approved without objection.

### **IV. Uniformity Developments**

Ms. Hecht gave a brief report on uniformity developments – available here: <https://www.mtc.gov/wp-content/uploads/2023/07/UC-Developments-Report-July-2023.pdf>.

### **V. Project Report – Review of Receipts Sourcing Regulations**

Katie Frank (California), chair of the work group, gave the report of the work group – available here: <https://www.mtc.gov/wp-content/uploads/2023/07/Regs-Review-Austin-status-report-to-UC-Final.pdf>. The work group has been having regular monthly meetings by video call and has been focusing on the MTC’s special industry rules for transportation—particularly trucking companies and airlines.

Ms. Frank noted that the work group been looking at the mileage approach for sourcing transportation receipts of trucking companies. She asked for the committee’s input on the possible use of an informal study group who could assist staff in identifying issues and resources or information that might aid the work group’s discussions of this approach, or possible alternatives. This study group could include both interested state and industry employees and would report any useful findings back to the work group.

Phil Horwitz, Moss Adams, expressed concern that study group discussions would not be conducted publicly. Brian Hamer, MTC Counsel, responded that industry representatives would be invited to participate and that this would just be an information gathering exercise. Ms. Hecht also noted that this is not a change to the way the project work has been done in the past.

Bruce Johnson, Tax Cloud, also expressed concern that the study group's discussions would not be public. Nancy Prosser, MTC General Counsel, responded that this would not violate the Public Participation Policy (PPP) and there is no intent to close the work group meetings or to have deliberations or decisions about any issue made privately.

Mr. Horwitz commented that it might still give the wrong appearance. Vice chair Skinner asked for clarification of whether there would be limits on the number of participants or whether there would be a minimum number of industry participants. Mr. Hamer noted that the work group continually solicits input from industry reps and they would be invited to join the study group as well, with the goal of generally keeping the total number in the group relatively small so that there could be good participation.

Ms. Hecht also responded noting that public meetings require scheduling, noticing, preparing formal agendas, keeping detailed notes, etc., but such formality is unnecessary given that informal study groups do not deliberate or take actions in the way work groups or the committee would. In addition, keeping the group small and informal simply allows participants to ask questions and share information in a way they might otherwise be reluctant to do. In this case, the work group is using this as a tool to gather information which will be reported back to the work group.

Deborah Bierbaum, Multistate Associates, noted that something similar had been done in the work on the project on sales taxation of digital products—where staff conducted stakeholder sessions with various individuals and groups. She commented that not only was this good way to gather information, but that she expected participants felt it was easier to share that information in a less formal setting.

Again, Ms. Prosser noted that the PPP is available on the MTC's website and encouraged those who had any concerns about the MTC's policy to review that document.

Katie Lolley, Oregon moved that the committee support the proposed use of a study group to gather information and input on sourcing of transportation receipts issues, and continue to invite industry representatives to participate. Vice chair Skinner asked whether there were any objections and the motion was approved without objection.

## **VI. Project Report – Sales Tax on Digital Products**

Gil Brewer (Washington), chair of the work group, gave a brief report of the work group's activities. Ms. Prosser noted that both Streamlined and the Federation of Tax Administrators have issued resolutions or statements in support of the digital products project.

## VII. Panel and Discussion of Tax on Business Inputs

Mr. Brewer then moderated a panel discussion on whether business inputs should be excluded from taxation of digital products. That panel included: Karl Frieden, Council On State Taxation; Jerad Walczak, Tax Foundation; Shannon Brandt, Texas; Gil Brewer, Washington; and Michael Ettlinger, Institute on Taxation and Economic Policy. A recording of that panel discussion is available on the project page, here: <https://www.mtc.gov/uniformity/sales-tax-on-digital-products/>.

## VIII. State Roundtable

The states in attendance gave an update on developments of interest in their states.

## IX. Project Report –State Taxation of Partnerships & Presentation by Texas – Applying the Margin Tax to Partnerships

Jennifer Specchio, Teresa Bostick, and Rose Orozco of Texas gave a presentation on the application of combined filing to pass-through entities under the state’s entity level franchise tax. See slides here: <https://www.mtc.gov/wp-content/uploads/2023/07/2023-MTC-Comptroller-PPT-on-Partnerships-Final.pdf>.

Ms. McElhatton, chair of the work group, gave an update on the project along with Helen Hecht and Chris Barber of the MTC. See the report here: <https://www.mtc.gov/wp-content/uploads/2023/07/Partnership-Work-Group-Slides-July-25-2023-FINAL.pdf>. Part of the report included an informal poll on whether the work group should draft a model on the sourcing of guaranteed payments. The majority said yes, and that the model should take the approach of sourcing guaranteed payments as distributive share.

## X. New Business

Nikki Dobay, Greeberg Traurig, asked to speak to the committee. She noted that after *Wayfair*, compliance burdens and audit challenges continue to exist for businesses that are required to collect and remit sales and use tax. In this context, the business’s goal is to ensure they are collecting and remitting the proper amount of tax. And they need to know whether and what tax to collect. With this goal in mind, they would like to start a conversation with the states regarding ways that business and the states can partner to ensure proper collection and compliance.

Ms. Dobay noted two specific ideas that are being discussed—“validation agreements” and real-time compliance review. The validation agreement process would involve the business and the state working together, pursuant to an agreement, where the state assists the business in periodic review of their exemption certificates. Real-time compliance review is a concept based on the IRS Compliance Assurance Process (CAP) program and would involve the business and state working together on the scope of a review that would take place prospectively over a period of time. Both programs would help ensure that the businesses are collecting and remitting accurately, which will ensure the state is receiving its revenues as soon as possible.

## XI. Adjourn

### ATTENDEE LIST (Remote and In Person)

Lisa	Ables	Arkansas DFA - Revenue Legal Counsel
Henry	Ajagbawa	OCFO (District of Columbia)
Rob	Allen	Arkansas Department of Finance and Administration
Phillip	Ashley	Texas Comptroller of Public Accounts
David	Avery	Alabama Department of Revenue
William	Barber	Multistate Tax Commission
April	Begordis	State of Minnesota
Deborah	Bierbaum	MultiState Associates
Michael	Bologna	Bloomberg Tax
Michele	Borens	Eversheds Sutherland
Shannon	Brandt	Texas Comptroller of Public Accounts
Gil	Brewer	Washington State Department of Revenue
Jenny	Burleson	Texas Comptroller of Public Accounts
Chanda	Chadwick	Department of Finance & Administration- Revenue Division-Excise Tax- Withholding Tax
Mark	Chaiken	Taxation and Revenue Department
Claudette	Chavez	New Mexico Taxation and Revenue
Colleen	Chipman	NJ Division of Taxation
Kevin	Christian	Arkansas DFA - Revenue Legal Counsel
Cameran	Clark	Alabama Department of Revenue
Scott	Clark	Day Pitney LLP
Ralph	Clements	Alabama Department of Revenue
Susanna	Coburn	State of RI
Derrick	Coleman	Alabama Department of Revenue
Brian	Collins	Oregon Department of Justice
Christie	Comanita	Streamlined Sales Tax Governing Board
Susan	Courson-Smith	Pfizer Inc.
Richard	Cram	Multistate Tax Commission
Matthew	Danielson	ND Office of State Tax Commissioner
Charles	Dendy	North Dakota Office of State Tax Commissioner
Cassandra	Diemert	MNDOR
Lila	Disque	Multistate Tax Commission
Nikki	Dobay	Greenberg Traurig LLP
Latonia	Dooley	KY DOR
James	Douglas	Minnesota Department of Revenue
Jim	Eads	Ryan, LLC
Jessie	Eisenmenger	Amazon
Jamal	Elsaadi	Avior
Michael	Farinha	Office of Tax & Revenue, Government of the District of Columbia
Cathy	Felix	Multistate Tax Commission
John	Ficara	NJ Division of Taxation
Shannon	Fleischer	North Dakota Office of State Tax Commissioner
Brian	Fliflet	Illinois Department of Revenue
Bruce	Fort	Multistate Tax Commission
Kathryn	Frank	Franchise Tax Board

Sherre	Franklin	New Mexico Taxation and Revenue
Karl	Frieden	Council on State Taxation
Jeff	Friedman	Eversheds Sutherland LLP
Scott	Fryer	Arkansas Department of Finance & Administrations
Jen	Galbreath	Amazon
Veronica	Galewaler	New Mexico Taxation and Revenue Department
Kelsey	Gallacher	Utah State Tax Commission
Vicki	Gardino	Alabama Department of Revenue
Paul	Gehring	Arkansas Department of Finance and Administration
Richard	Genetelli	Genetelli Consulting
Felicia	Gillis	ADOR
Jonathan	Hague	McDermott Will & Emery
Michael	Hale	Kansas Department of Revenue
Michael	Hale	Kansas Department of Revenue
Christina	Hall	Alabama Department of Revenue
Brian	Hamer	MTC
Amy	Hamilton	Self
Marilyn	Harbur	Oregon Department of Justice
Michael	Hardtke	Wisconsin Department of Revenue
Christina	Heath	Texas Comptroller of Public Accounts
Helen	Hecht	Multistate Tax Commission
Virgil	Helton	Fast Enterprises
Eileen	Henderson	Department of Finance and Administration
Jesse	Hereford	Walmart Inc.
Amber	Herman	WISCONSIN DEPARTMENT OF REVENUE
Angie	Hillas	UTAH STATE TAX COMMISSION
Phil	Horwitz	Moss Adams
Debra	Houck	PA Department of Revenue
Joe	Huddleston	EY
Swamidoss	John	Office of Tax and Revenue DC government
R Bruce	Johnson	TaxCloud
Rusty	Johnson	Texas Comptroller of Public Accounts
Craig	Johnson	Streamlined Sales Tax Governing Board
Hal	Jones	Tennessee Dept. of Revenue
Amanda	Karr	Nebraska Department of Revenue
Bryan	Kelly	Washington State Department of Revenue
Robert	Kindred	District of Columbia Office of Tax & Revenue
Ken	Koch	Texas Comptroller of Public Accounts
Olga	Kourdova	Charter Communications
Cynthia	Labarge	Minnesota Department of Revenue
Ray	Langenberg	Texas Comptroller of Public Accounts
Matthew	Largent	WA State Department of Revenue - Interpretations & Technical Advice Division
Donald	Lazo	Missouri Department of Revenue
Keith	Linder	Arkansas DFA - Revenue Legal Counsel
Katie	Lolley	Department of Revenue

Michelle	Lombardi	Utah Attorney General's Office
Michael	Lucas	Department of Revenue
Eric	Mahler	Idaho State Tax Commission
Anne	Mangiardi	Colorado Department of Law
Angela	Matelski	Michigan Department of Treasury, Bureau of Tax Policy
Jonathan	May	PA Department of Revenue
Ashley	Mcghee	NCDOR
Hugh	Mckinnon	Office of the Tennessee Attorney General
Julio	Mendoza-Quiroz	Texas Comptroller of Public Accounts
Kay	Mick	MTC
Teresa	Miller	Iowa Department of Revenue
John	Mollenkamp	Intuit
Paul	Mond	Multistate Tax Commission
Jess	Morgan	EY
Luke	Morris	Louisiana Department of Revenue
Breann	Morris	The State of New Mexico
Tracey	Mueller	Wisconsin Dept of Revenue
Kathy	Mui	Colorado Department of Revenue
Deanna	Munds-Smith	Arkansas Department of Finance and Administration
Rondenet	Mwangi	The Georgia Department of Revenue
Valerie	Newson	Utah State Tax Commission
Victoria	Nichols	Kentucky Dept of Revenue
Amber	Ortiz	Idaho State Tax Commission
Laurie	Owens	Department of Revenue
Manishaben	Patel	ADOR
Scott	Pattison	MTC
Karl	Patton	Idaho State Tax Commission
Akwilina	Perry	DC GOVERNMENT
Scott	Peterson	Avalara
Matthew	Peyerl	North Dakota Office of State Tax Commissioner
Audrey	Pollitt	Tax Analysts
Nancy	Prosser	Multistate Tax Commission
Jordan	Raye	Kansas Department of Revenue
Brendon	Reese	Colorado Department of Revenue
Nicholas	Reich	Tennessee Dept. of Revenue
Kevin	Richard	Louisiana Department of Revenue
Sarah	Roberts	Colorado Department of Revenue
Shelley	Robinson	Utah State Tax Commission
Gina	Rodriquez	Ryan, LLC
Lee Ann	Rouse	Alabama Department of Revenue, Sales & Use Tax Division
Joseph	Royston	Oregon Department of Revenue
Patricia	Ruffin	District of Columbia Government, Office of the Chief Financial Officer
Terry	Ryan	Apple Inc.
John	Sagaser	Maine Revenue Services, Office of Tax Policy
Neena	Savage	Rhode Island Division of Taxation

David	Sawyer	EY
Breen	Schiller	EY US LLP
Shail	Shah	GreenbergTraurig LLP
Tom	Shaner	Idaho State Tax Commission
Larry	Shinder	MTC
Drew	Shirk	Department of Revenue
Pamela	Shulterbrandt	State of Georgia
Shirley	Sicilian	KPMG
Jeff	Silver	Multistate Tax Commission
Phil	Skinner	Idaho State Commission
Melissa	Smith	Shell USA
Drew	Smith	Arkansas Dept. of Finance and Administration
Alicia Austin	Smith	Arkansas Department of Finance and Administration
Kathy	Smith	South Dakota Department of Revenue
Jenn	Stosberg	Multistate Tax Commission
John	Stringer	Mississippi Department of Revenue
Joe	Thronson	South Dakota Department of Revenue
Matt	Tidwell	Alabama Department of Revenue
Sal	Tomaselli	Missouri Department of Revenue
Deborah	Van Wyke	CO Department of Revenue
Kelly M	Vanden Branden	Wisconsin DOR
Donnita	Wald	New Mexico Taxation and Revenue Department
Joseph	Wasicak	Wisconsin Department of Revenue
Darren	Weirnick	Oregon Department of Justice
John	Weiser	Minnesota Department of Revenue
Sherri	Weithers	DC Government Office of Tax & Revenue
Jonathan	White	Multistate Tax Commission
Ted	Wiatr	Colorado Department of Revenue
Paul	Williams	Law360
Michael	Williams	Alaska Dept. of Revenue
Steve	Yang	MTC
Diane	Yetter	Yetter Consulting Services/Sales Tax Institute
Aaron	Yost	Idaho State Tax Commission
Brad	Young	Arkansas DFA Revenue Legal Counsel