

Motion By: Laurie McElhatton (California)

I would like to make a motion to the Work Group that the MTC staff draft for our consideration a market-based alternative model to source some or all trucking receipts based on pickups and/or deliveries. This model could then be considered by the Work Group for recommendation to the uniformity committee as an alternative model for states that choose to adopt that approach.

So far, we have had mixed opinions on whether to work toward creating a model for market assignment of receipts from trucking services or whether it is better to only provide the interstate mileage ratio model

There are some states that have already adopted market-based sourcing for sales of services that would like to align their method for sourcing trucking receipts with more of a market method which might be any combination of delivery and/or pick up. Historically, when we have a split in approaches the MTC has offered two different options to states. One example of this is that the Commission adopted the Finnigan option for states when we already had a Joyce model.

I propose that we work on a market model option for trucking services. If the Work Group agrees, I propose that MTC staff prepare an initial model draft that will then be reviewed and edited by the Work Group. This draft can also include a provision authorizing mediation among states when multiple taxation is a concern—such a tool was included when the Commission adopted its section 17 model sourcing rule.

Then, I propose that there be a later vote by the Work Group regarding whether to recommend to the Uniformity Committee that the model be adopted as an optional alternative to the current mileage approach. Of course, if states do not want to adopt a market approach for trucking, then they simply would not adopt the alternative model. The model would simply be there for the states that want to move toward a market approach. It is always easier for states to propose adoption of a regulation when there is an MTC model that has been vetted by states and private industry. Having a model would also promote uniformity for those states that choose to go in that direction.

I move that the Model Receipts Sourcing Regulation Work Group request that the MTC staff draft for our consideration a market-based alternative model to source some or all trucking receipts based on pickups and/or deliveries, and that the work group then review and edit that draft. This draft may address sourcing of airline receipts as well, adopting a market approach.