



MULTISTATE TAX COMMISSION

**Minutes of the Executive Committee Meeting**  
November 16, 2023

**I. Call to Order and Attendance**

Vice Chair Brendan Reese (Colorado) called the meeting to order at 9:03 a.m. Eastern Time. Scott Pattison, deputy executive director, announced there was a quorum. The following people were in attendance (\*virtual or telephone):

Derrick Coleman, Vicki Gardino, Timothy Sanders, Matt Tidwell	Alabama	Miranda Scroggins, Krystal Bolton*, Stacey Greaud*	Louisiana
Michael Williams*	Alaska	Angela Matelski	Michigan
Eileen Henderson	Arkansas	Sal Tomaselli*	Missouri
Luke Wolff	AT&T	David Merrien	Montana
Michael Bologna	Bloomberg Tax	Scott Pattison, William Barber, Holly Coon, Richard Cram, Lila Disque, Brian Hamer, Helen Hecht, Nancy Prosser, Larry Shinder, Jeffrey Silver, Jenn Stosberg, Jonathan White	Multistate Tax Commission
Katie Frank, Laurie McElhatton*	California	John Ficara	New Jersey
Josh Pens, Brendon Reese, Deborah Van Wyck, Kathy Mui*	Colorado	Stephanie Schardin Clarke*	New Mexico
Robert Kindred, Keith Richardson	District of Columbia	Matthew Danielson*	North Dakota
Will Rice	Fast Enterprises	Katie Lolley*	Oregon

Amy Hamilton*	Freelance (on behalf of Tax Notes Today State for this coverage)	Argi O'Leary*	Ryan, LLC
Tom Shaner	Idaho	Phillip Ashley	Texas
John Mollenkamp*	Intuit	Frank Hales	Utah
Michael Hale*	Kansas	Gil Brewer, Bryan Kelly, Drew Shirk*	Washington
Paul Williams	Law360	Amber Herman*	Wisconsin

**II. Initial Public Comment Period**

There was no public comment.

**III. Approval of Minutes of the Executive Committee Meeting Held on July 27, 2023**

Keith Richardson (District of Columbia) moved for approval of the minutes as written. The motion passed by unanimous voice vote.

**IV. Report of the Chair**

Greg Matson, executive director, noted that when Mark Ferrandino left his position as executive director of the Colorado Department of Revenue at the end of July, this created a vacancy in the position of Commission vice chair. The Chair appointed Heidi Humphreys, Mark's successor and interim executive director, to complete the unexpired term pursuant to Bylaw 3. This appointment required approval by the committee at this meeting.

Frank Hales (Utah) moved to approve the appointment of Heidi Humphreys as Vice Chair of the executive committee. The motion passed by voice vote.

Chair Stephanie Schardin Clarke expressed regret for not be able to be at the meeting in person and thanked those in attendance for their efforts.

## **V. Report of the Treasurer**

Philip Ashley (Texas) presented the financial report. There is currently a budget surplus due to several vacant staff positions and strong interest rates on investments. The balance sheet continues to look strong. For further details, he referred those in attendance to the written report. There were no questions.

Brian Kelley (Washington) moved for approval of the Report of the Treasurer. The motion passed by unanimous voice vote.

Mr. Ashley then presented the update on audited financial statements – the audit is still in progress due to the Commission’s transition to new software last year. The executive director will send out the audited financial statements via email when completed and this committee will review and take action on them at its spring meeting.

## **VI. Committee Reports**

### **A. Audit Committee**

Mr. Hales noted that the committee has enjoyed strong attendance at recent meetings. It added several audits to its inventory in Austin and added another at the recent meeting. He expressed his appreciation for the tax case update from MTC counsels Jenn Stosberg and Jonathan White.

### **B. Litigation Committee**

Brian Hamer, counsel, presented the report in place of the committee Chair Ray Langenberg (Texas). The litigation committee continues to focus on attorney training and the sharing of ideas among revenue departments and litigators. The attorney trainings have evolved to incorporate a skills training component and presentations of substantive knowledge and can now accommodate remote attendees.

### **C. Nexus Committee**

Mr. Kelly stated there are slightly fewer voluntary disclosure agreements this year than other years, although they are still seeing elevated numbers across the board. At their recent meeting, Michael Hilkin of McDermott Will & Emery joined to discuss possible simplification of taxes in local jurisdictions.

### **D. Strategic Planning Committee**

John Ficara (New Jersey) presented a brief update. Nancy Prosser, general counsel, and Mr. Matson are doing initial work on the committee’s project to review and update the Public Participation Policy, and Mr. Ficara asked the Executive Committee to authorize a public hearing once the committee has completed proposed revisions.

Mr. Hales moved to authorize a public hearing on the proposed revisions of the Public Participation Policy when completed by the Strategic Planning Committee. The motion passed by unanimous voice vote.

### **E. Uniformity Committee**

Helen Hecht, uniformity counsel, gave a brief overview of the Commission's ongoing uniformity projects, then asked the project workgroup chairs to discuss their projects in greater detail.

1. *State Taxation of Partnerships Project*: Laurie McElhatton (California), Uniformity Committee chair and chair of the partnership work group, reported that the work group is addressing the state taxation of partnership income—particularly sourcing and administration. The work group has produced a comprehensive issue outline, two white papers on important partnership income sourcing issues—income of investment partnerships and guaranteed payments for services—and two draft models on those issues. The work group will next move on to the sourcing of partnership income generally, and especially sourcing income earned in complex partnership structures, including multi-tiered structures. Because of the breadth and complexity of the issues expected to be involved in the coming work, Ms. McElhatton also asked states to consider what they might need in terms of background information and also asked for a show of hands for those states that would be interested in training. A number of states indicated they would find training useful. Ms. McElhatton mentioned, in particular, the heavy lifting done by MTC counsels Helen Hecht, Chris Barber, and Jenn Stosberg.
2. *Sales Tax on Digital Products Project*: Gil Brewer (Washington), chair of the digital products workgroup, noted that this has been a mammoth task – significant effort went into the tasks of finding out how states currently tax digital goods; researching the history of digital goods; and debating definitions. But now the project has moved into more substantive work he thinks that both the work group members and the stakeholders have realized that they do share some common goals, and progress has been possible and ongoing. He is optimistic about where the work group finds itself now.

Mr. Matson paused proceedings to acknowledge Mr. Brewer's pending retirement and express the Commission's fondness and eternal appreciation toward Mr. Brewer, whereupon applause ensued and other also thanked Mr. Brewer for his many years of service not only to the MTC but also to the state of Washington.

3. *Model Receipts Sourcing Regulation Review Project*: Chair Katie Frank (California) reported that in recent meetings, the group has focused on special

industry rules for transportation, including for trucking and airlines. To get additional information, the work group also formed a smaller, informal study group and has been holding calls of that study group and will be reporting information from that process.

**F. Other committee business (if any)**

There was no other business.

**VII. Report of the Executive Director**

Mr. Matson highlighted a couple of aspects of his report, which had been made available on the MTC website. He was pleased to announce that the city of Philadelphia has joined the audit program, and Minnesota has rejoined the audit program for sales and use tax audits. He acknowledged the retirement of MTC's accountant/bookkeeper, Wendy Margolis, and thanked her for her service to the Commission. He also mentioned that the MTC phones will soon be ported over to Teams, which will simplify the phone service and save on fees.

**VIII. Uniformity**

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

**IX. Upcoming Meetings and Events**

Mr. Matson stated that the Spring Committee Meetings will take place in Kansas City, Missouri, on April 29 – May 2, 2024.

**IX. Adjournment**

Upon motion of Mr. Hales, and with no objections being raised, the Commission adjourned at 9:59 a.m. Eastern Time.