



MULTISTATE TAX COMMISSION

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To: The Executive Committee
From: Bryan Kelly, Nexus Committee Chair
Re: Nexus Committee Activities in 3rd Quarter, FY 2024
Date: May 2, 2024

Nexus Committee Report for 3rd Quarter, FY 2024

The Nexus Program results for the 3rd Quarter of FY 2024 (July 1, 2023 through March 31, 2024) are provided below.

- Nexus states' collections: \$19,396,340 (\$25,846,276 FY 2023)
- Nexus states' executed agreements: 304 (391 FY 2023)
- Nexus states' average contract value: \$63,804 (\$66,103 FY 2023)

The above includes amounts paid by the taxpayer directly to the states and reported to the Commission. The Commission received applications from 203 taxpayers in calendar year 2023. For calendar year 2024 to date (as of March 31, 2024), 41 taxpayers have so far applied. Most of the applications are based on sales/use tax economic nexus.

The Nexus Committee met in person in open and closed session on July 24, 2023 in Austin, Texas, on November 15, 2023 in Montclair, New Jersey, and on May 1, 2024 in Kansas City, Missouri.

The Committee considered at the July 24, 2023 meeting: Richard Cram and Professor Richard Pomp gave a presentation on "purposeful availment" conduct by internet sellers. Harry T. Chavis, Acting Director, Global OPS, Financial Crimes, IRS Criminal Investigation, gave a presentation on the IRS voluntary disclosure program. The Committee completed its annual review of the Nexus Program Charter. The meeting was well attended with 64 in-person attendees and 74 virtual attendees.

The Committee considered at the November 15, 2023 meeting: Michael Hilkin, attorney in McDermott, Will & Emery's New York City office, gave a presentation on the difficulties that remote sellers and marketplace facilitators face in attempting to get information and comply with locally administered local excise taxes and local permit or registration requirements, as well as audits. He urged the Nexus Committee to consider taking up a project to encourage administrative simplification and uniformity of local tax systems. The meeting was well attended with 66 in-person attendees and 51 virtual attendees.