



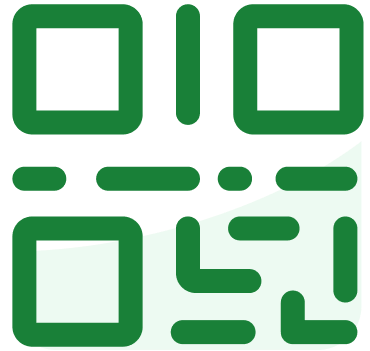
MULTISTATE TAX COMMISSION

# Uniformity Committee Meeting

April 30, 2024

Kansas City, Missouri

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# Uniformity Committee Agenda April 2024

PUBLIC NOTICE & AGENDA

[Uniformity Committee Agenda](#) (PDF)

[Uniformity Committee Charter](#) – Amended July 27, 2023

**Tuesday, April 30, 2024**

8:30 AM – 5:00 PM Central Time

InterContinental Kansas City at the Plaza

401 Ward Parkway

Kansas City, Missouri

- **In Person:** InterContinental Kansas City at the Plaza, 401 Ward Parkway, Kansas City, Missouri
- **Zoom Government Log In:** Meeting ID: 161 375 9775 Passcode: 949859 or use this [Link](#)
- **Zoom Government Dial In:** +1 669 254 5252 US (San Jose) or find local number [Here](#)

All times noted are estimates and are Central Time.

I.	8:30 AM	<p><b>Welcome and Introductions</b></p> <p>Laurie McElhatton (California), Chair &amp; Phil Skinner (Idaho), Vice Chair Committee and other attendees</p>
II.	8:45 AM	<p><b>Initial Public Comment</b></p> <p>Members of the Public</p> <p>Note: The public is invited to comment on issues before the committee, throughout the meeting. This initial public comment period is for those who wish to comment on the committee’s projects or agenda generally.</p>

# Welcome & Introductions

- Laurie McElhatton (California) – Chair
  - Phil Skinner (Idaho) – Vice Chair

# Polling Question

Which category best fits you?

- This is my first MTC Uniformity Committee meeting.
- I've been to a few recent Uniformity Committee meetings.
- I've been coming to most Uniformity Committee meetings for several years.
- I've been to at least 50 Uniformity Committee meetings.

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**Which category best fits you?**

ⓘ Start presenting to display the poll results on this slide.

# Our Process - Generally

- The committee was established to work on issues involving uniform or compatible state tax laws for taxpayers with multistate income or activities.
- MTC Website has more information on the Uniformity Tab.
- The committee uses work groups to study issues and make draft proposals—which the committee reviews.

# Our Process - Generally

- This initial study and drafting process is fairly informal.
- We appreciate input from the public and no one is required to disclose whether they are representing themselves or particular clients.
- During this process, state participants speak for themselves, unless they indicate otherwise, and not officially for their states.



# Our Process - Generally

- Before the committee makes any recommendation to the Executive Committee, there will be a more formal review, discussion, and vote.
- Before the Executive Committee recommends any proposal to the Commission, there will be additional review, a formal hearing, and additional votes—as well as a poll of the states.
- Our process is also about information sharing and education of administrators and policymakers.

# Initial Public Comment

Note: The public is invited to comment on issues before the committee throughout the meeting.

This initial public comment period is for those who wish to comment on the committee's projects or agenda generally.

III.	9:00 AM	<b>Approval of the Minutes</b> Laurie McElhatton, Chair	Minutes of the November 14, 2023 Meeting (PDF)
IV.	9:05 AM	<b>Economic/Revenue Outlook</b> Scott Pattison, MTC	Economic Outlook Report
V.	9:30 AM	<b>Overview of Uniformity Projects</b> Laurie McElhatton, Chair, Phil Skinner, Vice Chair & Helen Hecht, MTC	Overview Report
VI.	9:45 AM	<b>Project Report – Receipts Sourcing Regulation Review</b> Katie Frank (California), Work Group Chair & Brian Hamer, MTC  See project page here: <a href="#">Receipts Sourcing Regulation Review</a>	Status Report

**BREAK – 10:15 AM Central**

VII.	10:30 AM	<b>Project Report – State Taxation of Partnerships</b> Laurie McElhatton, Chair of the Committee and Work Group Chair, David Merrien (Montana), Work Group Vice Chair Helen Hecht, Chris Barber, Jennifer Stosberg, MTC Review of the partnership tax issues under consideration and next steps.  See project page here: <a href="#">State Taxation of Partnerships</a>	Status Report
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**LUNCH – 11:45 AM Central**

# MTC Uniformity Committee Meeting

Minutes of the Meeting of November 14, 2023

Draft for Approval by the Committee

- **Welcome and Introductions**

Laurie McElhatton (California), chair of the committee welcomed everyone in person and joining remotely on behalf of the MTC and her vice chair, Phil Skinner (Idaho), and had those present introduce themselves. (See list of attendees below.)

- **Initial Public Comment**

Laura Strausfeld of the group PeriodLaw asked the state representatives present to consider changes in terms used to define products that women use for menstruation and to consider exempting those products from the state sales tax.

- **Approval of Minutes of the July 25, 2023 Meeting**

Frank Hale noted that he had been omitted from those present at the meeting. With that correction, he moved approval. There was no objection.

- **Uniformity Developments**

Helen Hecht, MTC Uniformity Counsel gave an update on the developments in state tax law of interest to the committee. See that report – [here](#).

- **Project Report – Receipts Sourcing Regulation Review**

Katie Frank (California), chair of the work group and Brian Hamer, MTC Counsel, gave a status report on the regulation review project. (The project page is [here](#): Receipts Sourcing Project.) See that status report – [here](#).

- **Project Report – State Taxation of Partnerships**

Laurie McElhatton (California), chair of the work group and MTC counsel—Helen Hecht, Chris Barber, and Jenn Stosberg, gave a status report on the partnership project. (The project page is [here](#): Partnership Project Page.) See that status report – [here](#).

Approval  
of the  
Minutes

# Approval of the Minutes

- **Project Report – Sales Taxation of Digital Products - ITFA Panel and Discussion and Status Report**

There was a panel presentation to the committee on the Internet Tax Freedom Act. Nancy Prosser, MTC General Counsel, moderated the panel which included: Professor Andrew Appleby, Stetson University, College of Law; Joseph Bishop-Henchman, National Taxpayer's Union; Mark Nebergall, McDermott, Will & Emery; and Jonathan White, MTC. See information on that panel presentation – here as well as a link to the audio from that presentation on the project page - here.

Then Gil Brewer (Washington), chair of the work group gave a status report. He noted that Nancy Prosser has gone to NCSL and asked for their input. This was in response to those who made comments on the need for lawmakers to weigh in. Gil noted that we had submission of ideas on principles to guide the project from Jeff Friedman, Eversheds Sutherland and Ray Langenberg (Texas). He also noted that Jonathan White, MTC counsel, was continuing to work on the development of a spreadsheet detailing information on how states currently tax digital products and a matrix of issues, including basic differences in whether they tax digital products broadly, narrowly, or in the middle. This is a roadmap of what has been done as well as a story about the consequences.

Gil noted that the goal here is not to have all states make the same choice about what to tax.

Other research is also being done on B2B transactions, and ITFA by Jonathan and by Lila Disque, MTC Deputy General Counsel. He noted many of the issues interact with each other. The goal is to provide information to policy makers.

Gil also announced his impending retirement. The work group will be looking for a replacement for the work group chair. Gil noted that states who have sales tax should be following and participating in the work group. He also welcomed the participation of Streamlined, FTA, and the NCSL. He encouraged people to continue to bring forward different views. And most of all, he encouraged the group to look for ways to simplify.

He also thanked all the work group members and others who have participated for donating their time and efforts. He also thanked the MTC staff.

Laurie McElhatton, chair, gave her own thanks to Gil and his contributions to the committee as did others present.

See also the project page for this project, here: [Digital Products Project](#).

# Approval of the Minutes

## I. State Roundtable

States were asked to give brief updates on developments in their state that might be of interest to others.

## I. New Business

There was no new business.

## I. Adjourn

## Attendees – In Person and Remote

Daniel Anolik	Karl Frieden	Elizabeth Lipari-Walsh	Scott Reed	Esther van Mourik
Phillip Ashley	Jeff Friedman	Katie Lolley	Brendon Reese	Deborah Van Wyke
William Barber	Kelsey Gallacher	Michelle Lombardi	Nicholas Reich	John Vecchiarelli
Carol Bell	Vicki Gardino	Michael Lucas	Will Rice	Mark Wainwright
Beth Berniker	Stacey Greaud	Anne Mangiardi	Shelley Robinson	Donnita Wald
Karolyn Bishop	John Grochala	Angela Matelski	Joseph Royston	Jonathan White
Paul Blascovich	Frank Hales	Laurie McElhatton	John Sagaser	Ted Wiatr
Michael Bologna	Brian Hamer	Julio Mendoza-Quiroz	Timothy Sanders	Paul Williams
Krystal Bolton	Amy Hamilton	David Merrien	Miranda Scroggins	Michael Williams
Shannon Brandt	Greg Harris	Teresa Miller	Tom Shaner	Steve Yang
Michael Branton	Helen Hecht	John Mollenkamp	Allison Sheppard	
Gil Brewer	Eileen Henderson	Kathy Mui	larry shinder	
Derrick Coleman	Amber Herman	Patrick Nana-Adjei	Kristen Shogren	
Holly Coon	Angie Hillas	Valerie Newson	Jeffrey Silver	
Richard Cram	Debra Houck	Argi O'Leary	Marc Simonetti	
Charles Dendy	Craig Johnson	Brian Oliner	Kasey Skidmore	
Lila Disque	Hal Jones	Amber Ortiz	Brian Smith	
Nikki Dobay	Bryan Kelly	maryanna paolinie	Mitchell Smith	
James Douglas	Robert Kindred	Scott Pattison	Kathy Smith	
Jessie Eisenmenger	Kurt Konek	Josh Pens	Nicholas Souza	
Cathy Felix	Olga Kourdova	Matthew Peyerl	Jenn Stosberg	
John Ficara	Jorie Krumpfer	Janee Pousson Garcia	Delinda Tamagni	
Bruce Fort	Ray Langenberg	Nancy Prosser	Craig Tonic	
Katie Frank	Matthew Largent	Amy Quam Skinner	Rebecca Turner	

# Polling Question

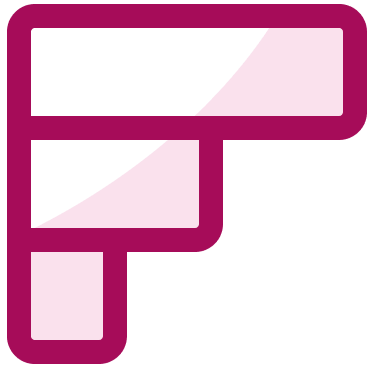
## Predictions for 2025 –

How do you rank the following global or national tax-related issues in terms of their importance for policymakers in 2025?

[5 = very important to 1 = not important]

- The OECD Pillar 2 minimum tax proposal
- The Provisions of TCJA that will expire (including the SALT cap)
- The need for the federal government to increase revenues
- Growing use of digital ad taxes globally

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**How do you rank the following global or national tax-related issues in terms of their importance for policymakers in 2025? [5 = very important to 1 = not important]**

ⓘ Start presenting to display the poll results on this slide.



# Economic / Revenue Outlook

Scott Pattison

Deputy Executive Director, MTC



<b>V.</b>	9:30 AM	<b>Overview of Uniformity Projects</b>  Laurie McElhatton, Chair, Phil Skinner, Vice Chair & Helen Hecht, MTC	Overview Report
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<b>LUNCH – 11:45 AM Central</b>			
<b>VIII.</b>	1:15 PM	<b>State Roundtable</b> Committee and Other State Representatives  States are asked to give an update on important developments of interest.	
<b>BREAK – 2:30 PM Central</b>			

# Overview of Uniformity Projects

Laurie McElhatton, Chair

Phil Skinner, Vice Chair

Helen Hecht, MTC



# Overview of Uniformity Projects

Three big projects:

- Review Receipts Sourcing Regulations
- Sales Taxation of Digital Products
- Taxation of Partnerships

# Overview of Uniformity Projects

## Challenges:

- Capturing the research, analysis, and discussion as the project goes along and making that information available so states can use it.
- Handling the complexity—dealing with the issues at the right level and helping participants better understand those issues.
- Making sure we're spending our time on the right things.

# Overview of Uniformity Projects

## Looking for Input:

- How the process could be improved—work groups, committee meetings, etc.
- What additional information might be useful.
- What's most important or needs to be addressed first.

# Polling Question

The current projects require setting the right balance between research and study versus crafting specific recommendations or proposals. Give us your general sense (if you have one) of whether we're finding the right balance on each project.

[1 = too much research and study (moving too slow),  
2 = not enough research and study (moving too fast), or  
3 = good balance generally.]

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# State Taxation of Partnerships

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# Model Receipts Sourcing Regulation Review Work Group

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## State Tax on Digital Products

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<b>BREAK – 2:30 PM Central</b>			
<b>IX.</b>	2:45 PM	<b>Project Report – Sales Taxation of Digital Products</b> Tim Jennrich (Washington), Work Group Chair, Mia Strong (Louisiana) Work Group Vice Chair Nancy Prosser, Lila Disque, Jonathan White, and Helen Hecht (MTC)  See project page, here: <a href="#">Sales Taxation of Digital Products</a>	Status Report

## Project Reports & Agenda Items

# New Business

During this portion of the committee agenda, we take comments on possible new projects or other topics for discussion.

# Wrap-Up

- Before we break for the day – a couple reminders.
  - MTC website contains much more information on the projects – on the project pages as well as other information.



An intergovernmental state tax agency whose mission is to promote uniform and consistent tax policy and administration among the states, assist taxpayers in achieving compliance with existing tax laws, and advocate for state and local sovereignty in the development of tax policy.

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- Nexus ▾
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- Events & Training ▾
- Resources ▾

**About Uniformity**

**Adopted Uniformity  
Recommendations**

**Article IV- UDITPA**

**Uniformity Process**

**Amicus Briefs**

**Uniformity Projects**

**Uniformity  
Developments**

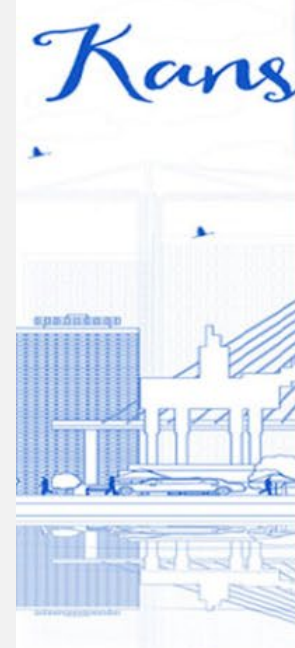
**Uniformity Charter**

**Standing  
Subcommittee**

# Welcome to mtc.gov

This is the Multistate Tax Commission's online hub for information about programs, projects, events, training, and other state tax resources. [Click here](#), if you would like to be added to the Commission's public notice email list.

**More Info**





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Search input field with a red 'Search' button

Dark blue navigation bar with menu items: The Commission, Uniformity, Nexus, Audit, Events & Training, Resources



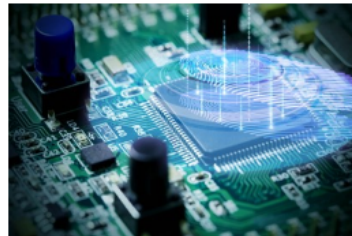
### State Taxation of Partnerships Work Group

At its April 2021 meeting, the Uniformity Committee took up a project on state taxation of partnerships based on the recommendations of the Standing Subcommittee that a work group be established to consider issues affecting



### Model Receipts Sourcing Regulation Review Work Group

At its August 2022 meeting, the Uniformity Committee agreed to undertake a project and form a work group to review its model receipts (sales) sourcing regulations for income apportionment purposes, including special industry



### Sales Tax on Digital Products Work Group

At its July 2021 meeting, the Uniformity Committee considered a recommendation from the Standing Subcommittee to begin drafting a white paper on state sales taxation of digital products and the approaches that states might use. The

## Upcoming Events

- APR 29 April 29 - May 2 **2024 Spring Committee Meetings**
- MAY 16 May 16 - May 17 **Nexus School – West Virginia**
- JUN 6 11:00 am - 12:00 pm **Sales Tax on Digital Products**
- SEP 5 11:00 am - 12:00 pm **Sales Tax on Digital Products**
- OCT 3 11:00 am - 12:00 pm **Sales Tax on Digital Products**

[View Calendar](#)





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## Adopted Uniformity Recommendations

Note | Contact Information

The models below organized into the following general categories:

- Allocation and Apportionment Regulations,
- Business Income Tax – General,
- Other Income Tax,
- Sales and Use or Transaction Taxes, and
- Tax Administration

See also the [Uniformity Developments](#) page.

### Allocation and Apportionment – Statutes and Regulations

Title	Related Information	Year Adopted or Amended by Commission	Description of the Model and Its Function
<b>Recommended Uniform Division of Income for Tax Purposes Act (UDITPA)</b> – Article IV of the Multistate Tax Compact	<ul style="list-style-type: none"> <li>• <a href="#">Document Library</a></li> </ul>	Original adopted in 1967 as part of the Multistate Tax Compact, revised by the MTC in 2014 and 2015.	The original version of the Uniform Division of Income for Tax Purposes Act (UDITPA) was drafted by the Uniform Law Commission and included in Article IV of the Compact. In 2014 and 2015, the MTC recommended that states adopt uniform revisions to the provisions of UDITPA and that Compact states include those revisions in their statute adopting the Compact.
<b>Model General Allocation and Apportionment Regulations</b>	<ul style="list-style-type: none"> <li>• <a href="#">Document Library</a> – archive</li> </ul>	Original 1973; revised multiple times through 2010.	Provides general rules for implementing the Uniform Division of Income for Tax Purposes Act (UDITPA), as the MTC has recommended revising that model act.

# Wrap-Up

- Also –
  - Next in-person meetings will be:
    - Annual MTC Commission and Committee Meetings  
July 29 - August 1, 2024, Denver, CO
    - Fall MTC Committee Meetings  
November 18-23, 2024, Santa Fe, NM
  - If you want to make sure you get information on the committee and its work groups – contact Helen Hecht at [hhecht@MTC.gov](mailto:hhecht@MTC.gov).

# Adjourn

And thank you for all you do.

