



MULTISTATE TAX COMMISSION

**Minutes of the Executive Committee Meeting
of the Multistate Tax Commission**

Thursday, November 21, 2024, 9:00 a.m. Mountain Time
Santa Fe, New Mexico

I. Call to Order and Attendance

Stephanie Schardin Clarke, New Mexico, Executive Committee Chair, called the meeting to order at 9:02 a.m. and confirmed the presence of a quorum. The following people were in attendance (*virtual or telephone):

Derrick Coleman, Nicci Adams*	Alabama
Michael Williams	Alaska
Felicia Gillis*	Arizona
Michael Bologna	Bloomberg Tax
Laurie McElhatton*, Katie Frank*	California
Josh Pens, Brendon Reese, Sarah Roberts*	Colorado
Keith Richardson, Robert Kindred	District of Columbia
Will Rice	Fast Enterprises
Brian Oliner, Scott Pattison	Federation of Tax Administrators
Phil Skinner*, Aaron Yost*	Idaho
Michael Hale	Kansas
Angela Matelski	Michigan
Cassondra Diemert*, Kristen Shogren*	Minnesota
Chris Barber, Holly Coon, Richard Cram, Lila Disque, Cathy Felix, Brian Hamer, Helen Hecht, Greg Matson, Jeff Silver, Jonathan White, Larry Shinder, Loretta King*	Multistate Tax Commission
Stephanie Schardin Clarke, Donnita Wald	New Mexico
Matt Peyerl, Matthew Danielson*	North Dakota
Katie Lolley	Oregon
Jane McCurdy*	Pennsylvania
Christie Comanita	Streamlined Sales Tax Governing Board
Phillip Ashley, Ray Langenberg	Texas
Frank Hales	Utah
Timothy Jennrich, Bryan Kelly, Greg King*	Washington
Andrew Soubel*	Wolters Kluwer
Amy Hamilton*	Freelance (on behalf of Tax Notes Today State for this coverage)

II. Initial Public Comment Period

There was no public comment.

III. Approval of Minutes of the Executive Committee Meeting Held on August 1, 2024

Michael Williams, Alaska, noted that Brandon Spanos is from Alaska, not Arkansas, and requested an edit accordingly. Frank Hales, Utah, noted that he was in attendance at the meeting, although that is not reflected in the minutes. With that correction and addition to the minutes, Tim Jennrich, Washington, moved to approve the minutes. The motion passed by unanimous voice vote.

IV. Report of the Chair

Ms. Schardin Clarke thanked MTC staff for arranging the event location and details and thanked the member states who have been present all week. She hoped everyone enjoyed her home state and will visit again soon.

V. Report of the Treasurer

A. Financial Report for FY2024

Treasurer Philip Ashley, Texas, provided a brief update. This report was not ready in time for the last meeting on August 1st, and that is why it was before the committee at this time. All financials were tracking as he would expect. Most unfavorable variances are either IT or consulting-related, as well as licensing for enhanced IT security. The MTC continues to have some employment vacancies, so as long as those remain, there is a positive budget variance.

Keith Richardson, District of Columbia, moved to accept the report for FY 2024. The motion passed by unanimous voice vote.

B. Financial Report for the period July 1 to September 30, 2024

The MTC continues to operate at a surplus. There was a delay sending out Nexus invoices this year, so the program was at a temporary deficit but only on paper. Brendan Reese, Colorado, moved to accept the report. The motion passed by unanimous voice vote.

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C. Update on Audited Financial Statements as Reported by the Independent Auditor for Fiscal Year 2024

Mr. Ashey reported no issues or problems so far, although with the extended timelines closing out FY 2024, the audit is not yet ready. It should be ready around the first of the next calendar year.

VI. Committee Reports**A. Audit Committee**

The full report is included in the online materials. Frank Hales, Utah, reported that Nikki Dobay's Sales Tax Compliance Assurance Review Program [proposal](#) was discussed in both the open and closed session and the result was not to accept the proposal at this time but to recommend that she re-propose it in a year or so when staffing levels are different.

B. Litigation Committee

Ray Langenberg, Texas, said that details of the recent attorney training are in the printed materials, and the committee enjoyed an unusual number of remote attendees. He specially thanked the MTC Audiovisual team for making the event possible and easy for in-person and remote attendees.

C. Nexus Committee

Bryan Kelly reported that the Nexus Committee continues to see significant amounts of voluntary disclosures. Mississippi has joined as a member state, so the committee is up to 40 participating states. At the meetings this year they enjoyed a number of excellent speakers introducing nexus and administrative topics. The committee received a request concerning voluntary disclosure of foreign sellers and asked for a written proposal to take back to the states.

D. Strategic Planning Committee

Keith Richardson, District of Columbia, said the Strategic Planning Committee met earlier this morning, considered a new project, and received a presentation on the MTC's new training program.

E. Uniformity Committee Project Reports

Laurie McElhatton, California, Chair of the Uniformity Committee, said the committee has been very busy with three long-term projects. The individual project chairs then gave a brief update on their activities; full reports are available online.

1. *State Taxation of Partnerships Project*: Ms. McElhatton reported that the work group recently began studying the sourcing of partnership income in complex, tiered partnership structures. Staff did a comprehensive survey of state rules on this issue and published a summary of that research and has been receiving feedback from individual states. Staff also prepared an overview of partnership “special allocations” and will be considering the effect these allocations of income may have on the sourcing of that income. Because of the complexity of these issues, MTC staff have been working on data-models, using examples of tiered structures with various issues, and actual numbers to determine if the approaches that work in theory will also work in practice. Staff are also monitoring developments in this area.
2. *Sales Tax on Digital Products Project*: Tim Jennrich, Chair of the project, thanked the MTC for supporting the project. The report is available online, and he highlighted that the current topic is bundled products. Consideration of the topic started at the last meeting, and the group expects it to conclude around February of the coming year. The group has distributed a series of bundling exercises for participants to consider and provide input.
3. *Model Receipts Sourcing Regulation Review Project*: The work group is chaired by Katie Frank, California, and has been meeting regularly. In the past year, the group focused on special industry rules for trucking and airlines. Ms. Frank said the group is currently considering the airline special apportionment regulations. It is in the early stages.
4. *Model Marketplace Facilitator Certificate*: MTC staff circulated a survey to Uniformity Committee members on August 28, 2024 to identify the state tax departments that would approve use of this form on an optional basis in their states, and also to identify those state tax departments that would approve use of this form if specified changes were made or a footnote for the state were added to the form stating any restrictions or clarifications on its use. The following state tax departments approved use of the form: AL AR GA LA MA ND OK RI SD TX. The following state tax departments were willing to consider approving use of the form if some suggested changes are made: CO KY MI NM VT WI. These state tax departments indicated that they cannot approve the form, with or without changes: HI MD MN NE NJ TN UT. A revised draft of the form is

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being circulated for approval by those state tax departments that requested revisions to the form, with the goal of finalizing the form and list of states approving its use, making it publicly available for download from the MTC website.

F. Other committee business (if any)

There was no other business.

VII. Report of the Executive Director

Greg Matson, executive director, referred the group to the written report online. A new state, Mississippi, has joined the nexus program and the audit program for income tax. They started July 1. He highlighted certain activities in the Legal division, including an amicus brief filed supporting Arkansas in the Murphy Oil case. The Learning Management System is now available online, and staff plan to add both free and paid content of varying lengths.

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 are scheduled for April 28-May 1, 2025 in Spokane, Washington. The 58th Annual Meeting will be from July 21-24, 2025, in Salt Lake City, Utah, and the 2025 Fall Committee Meetings will be November 17-20 in New Orleans.

IX. Adjournment

Upon motion of Brendan Reese, Colorado, and with no objections being raised, the meeting adjourned at 9:41 a.m. Mountain Time.