MULTISTATE TAX COMMISSION

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| To: | Commission |
| From: | Keith J. Richardson |
| Date: | July 30, 2026 |
| Subject: | FY 2026 Report of the Executive Director |

This report is a summary of the Commission's organizational and staff activities for the fiscal year 2026 (July 1, 2025, to June 30, 2026).

## I. Programs & Activities

### A. Joint Audit Program

The Joint Audit Program completed five (5) income tax audits and parts of four (4) other income tax audits in 2026 fiscal year. Audit program staff also completed parts of eight (8) sales tax audits during the year. Currently, there are thirteen (13) income tax audits and twenty-two (22) sales tax audits in progress.

During the fiscal year, the income tax program proposed net assessments of $80,563,369 for completed and partially completed income tax audits. Income tax program staff also proposed NOL and tax credit reductions of $15,348,285. The sales tax program proposed net assessments of $3,179,204 for completed and partially completed sales tax audits.

The following chart summarizes hourly data for completed audits during the 2026 fiscal year:

| | Income & Franchise | Sales & Use | Total |
|---|---|---|---|
| **Total Audits** | 5 | 0 | 5 |
| **Total States Audited** | 110 | 0 | 110 |
| **Total Hours** | 32,673 | 0 | 32,673 |
| **Average Hours per State** | 297 | 0 | 297 |

**B. National Nexus Program**

The National Nexus Program results for FY 2026 (July 1, 2025 – June 30, 2026) are provided in the following table:

| | FY 2026 | Previous FY (2025) Totals |
|---|---|---|
| **Collections** | **$28,308,873** | $29,083,242 |
| **Executed Agreements** | **464** | 498 |
| **Average Contract Value per State** | **$61,010** | $58,400 |

The above amounts include amounts paid by the taxpayer directly to the states and reported to the Commission.

During FY 2026, Richard Cram participated in the following outreach events:

presentation of CPAacademy Webinar entitled "Nexus Basics and the MTC Multistate Voluntary Disclosure Program," on September 18, 2025 and rebroadcasted on October 21, 2025;

presentation of CPAacademy Webinar entitled "Mastering Multistate Sales and Use Tax Compliance: Navigating New Collection Law," on October 9, 2025 and rebroadcasted on December 10, 2025;

update on National Nexus Program provided virtually to AICPA Society SALT TRP Fall Meeting on October 23, 2025;

webinar presentation entitled "Georgia Income Tax Nexus Principles" to Georgia Department of Revenue audit staff on November 4, 2025;

presentation entitled "Current Trends in State Income and Sales Tax" to Connecticut CPA Society in Cromwell, CT on November 13, 2025;

webinar presentation entitled "What's New at MTC and in SALT" to NYU State Tax Study Group on February 11, 2026;

presentation of CPAacademy Webinar entitled "Nexus Basics and the MTC Multistate Voluntary Disclosure Program," on March 4, 2026, rebroadcasted on April 14, 2026, and to be rebroadcast on April 29, 2026;

presentation of CPAacademy Webinar entitled "Achieving Multistate Tax Compliance, Sales Tax, Nexus Laws and Best Practices," on March 18, 2026 and to be rebroadcast on April 28, 2026; and

panel discussion with Michael Fatale and Nikki Dobay entitled "What did the Supreme Court mean when it required state taxes to be internally consistent?", MTC Annual Meeting Seminar Day, Detroit, MI on July 29, 2026.

Nexus School
On June 16-17, 2026, the MTC held an in-person Nexus School at its D.C. office in Washington, D.C. for the D.C. Office of Tax and Revenue audit staff, attended by 25 participants. The training sessions were video-recorded. Jayne Kulberg, instructor for the audit portion of the Nexus School, has resigned, and Frank Hales has assumed those instructor duties.

## C. Legal Staff

In addition to the activities described below, lawyers on the legal staff —

- Staff the Uniformity and Litigation Committees;
- File amicus briefs on behalf of the Commission;
- Oversee the MTC Alternative Dispute Resolution Program established and governed by Bylaw 14;
- Speak at conferences and seminars; and
- Oversee the annual Paull Mines Award, which the Litigation Committee established to recognize contributions to state tax jurisprudence by public-sector attorneys.

Uniformity Work

The Uniformity Committee submits a separate report to the Executive Committee detailing the status of projects undertaken by that committee. The uniformity counsel and other lawyers on the legal staff support the committee, standing subcommittee, and uniformity work groups in a variety of ways, including providing counsel, performing research, drafting reports and other documents related to the uniformity process, and making and organizing presentations and training, as directed.

Litigation Committee Support

To ensure that interested state attorneys are aware of Litigation Committee programs and other MTC programs that may be of interest to them, and to identify attorneys that may be a resource to attorneys in other states, lawyers on the legal staff update and expand the Litigation Committee attorney roster, which includes more than 400 attorneys across all states, plus the District of Columbia and one U.S. territory. Lawyers on the legal staff also work with Litigation Committee leadership to organize attorney training programs in conjunction with the MTC's spring and fall in-person meetings and organize virtual training and information sharing opportunities throughout the year.

Training

The legal staff provides a combination of in-person and online training programs for state attorneys and other state tax personnel. After a multi-year effort, the Commission has an established CLE policy and dedicated webpage that helps attorneys claim CLE credits in many states.

MTC Counsel Jonathan White hosted a series of webinars on August 22, August 29, and September 5 titled "Navigating ITFA," where he introduced an annotated version of the statute and discussed the substantive provisions of ITFA in detail. The sessions are now available for viewing on the MTC's learning management system at https://learning.mtc.gov/.

MTC Senior Counsel Bruce Fort hosted an online "MTC Tax Talk" training on November 5, 2025, entitled: "How to Prepare for (and Win) an Alternative Apportionment Case." Approximately 185 state government employees listened in on the presentation. The session is available on the MTC's learning management system at https://learning.mtc.gov/.

A NASBA-compliant ethics course was made available on the learning management system in December of 2025. It is still available free of charge for anyone seeking a self-study ethics credit.

Helen Hecht, Bruce Fort, Chris Barber, and David Merrien made use of the MTC's brand-new training facility to record a Tax Talk: *Changes in Federal Taxation of Multinational Corporate Groups,* which accompanies the briefing book they recently released. The session is available on the MTC's learning management system at https://learning.mtc.gov/.

Helen Hecht and David Merrien conducted a partnership tax training for the New Mexico Taxation and Revenue Department in the first week of April 2026.

## Litigation Support and Legal Advice

The legal staff regularly consults with state attorneys and other state representatives, by request, on litigation matters, including strategy, issues, arguments, and by serving as expert witnesses. Lawyers on the legal staff also work on legislative and policy issues on request, including review of draft legislation, assistance to implement MTC model laws and other guidance, and providing testimony on SALT issues.

During the fiscal year, legal staff provided litigation support and legal advice to the following states:

- Alabama
- Alaska
- Arkansas
- California
- District of Columbia
- Florida
- Hawaii
- Idaho
- Mississippi
- Massachusetts
- Maryland
- Montana
- Oregon
- Pennsylvania
- Rhode Island
- Utah
- Vermont
- Washington

Support for the Commission's Programs and Projects

Legal staff support the Commission's Multistate Joint Audit and National Nexus Programs, and other Commission programs and projects, as requested. For example, at each in-person Audit Committee meeting MTC counsel provide a court case update. MTC counsel also provide support for the Commission's general administration by addressing open meetings issues; maintaining confidentiality policies; handling records requests; researching and making recommendations for record retention policies; reviewing and drafting contracts; and filing corporate registrations and reports.

Amicus Briefs Filed on Behalf of the Commission

*Cruise Lines International Association, Inc. and United States of America v. Suganuma,* Case No. 25-8058. This case concerns whether federal courts may assert jurisdiction over a state tax matter where the claim by the taxpayer is barred under the federal Tax Injunction Act, but the federal government has intervened in the case. The MTC filed a brief supporting Hawaii and emphasizing the need for state tax matters to be resolved in state courts.

On June 30, 2026, the MTC filed an amicus letter urging the California Supreme Court to grant review in X*avier Garcia-Rojas & Sana Garcia-Rojas v. Franchise Tax Board*, California Supreme Court No. S297035. The case involves the question of whether, in order to be considered a "unitary business" under California law, a multistate business must be comprised of separate business segments or entities. The lower court found that it did; the MTC has encouraged the higher court to grant review and correct this misunderstanding of the unitary business theory.

Legislative Tracking and Newsletter

Legal staff track state and federal bills that address primarily income, franchise, and sales and use taxes and that relate to the Multistate Tax Compact or core MTC programs and uniformity initiatives and issues periodic newsletters. Any public sector tax administrator or attorney may sign up to become a subscriber by emailing bhamer@mtc.gov or jwhite@mtc.gov.

Advisory Boards & Publications

Uniformity Counsel Helen Hecht is a member of the State Tax Notes Advisory Board and submits periodic "board briefs" on various topics. She also serves, along with Director of

 

Operations Chris Barber, on Bloomberg Tax's State Tax Advisory Board, which helps that platform expand and improve its state tax content and analysis. Chris also serves on the Bloomberg Pass-Through Entity Navigator working group.

### D. Training and Events

Training is an important focus for many of the Commission's staff, across program and staffing areas. Staff are continuing to develop content for the new virtual learning platform (LMS).

In addition to the LMS and course development, the training and event staff have been setting up virtual event and meeting registrations, performing back-end support, and providing real-time support to various online and in-person events and meetings.

## II. Staffing & Administration

Auditor Ali Pazand left the Commission's staff in October.

Executive Director Greg Matson left the Commission's staff in February.

Keith Richardson, formerly of the Washington, DC Office of Tax and Revenue, joined the Commission as Executive Director in March.

Brian Staley was promoted to Corporate Income Tax Audit Supervisor in January.

Lila Disque, who had been Commission Counsel and has been an integral part of the staff since 2012, was named Acting General Counsel.

Chris Barber was named Director of Operations in February.

Ben Morris joined the Commission as a Corporate Income Tax Auditor in April.

Jantha Jamison was promoted to Sales Tax Audit Supervisor in April.

Deneen Beans joined the Commission as a Corporate Income Tax Auditor in May.

Sales Tax Audit Supervisor Steve Yang retired in June.

## III. Outside Presentations & Events

The following are the programs, conferences, and other events of *outside* organizations at which members of the staff represented the Commission:

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JULY 2025

- Moss Adams, Tax Services Group Conference, *on everything*, Bellevue, WA (White).

AUGUST 2025

- 2025 NESTOA (Northeastern States) Annual Meeting, *The Impact of OBBBA on State and Local Taxes* (Disque, panelist), Philadelphia, Pennsylvania.
- 2025 NESTOA (Northeastern States) Annual Meeting, *Current Issues: P.L. 86-272 and Economic Presence* (Hamer, panelist), Philadelphia, Pennsylvania.
- NCSL Legislative Summit, (Hamer, attendee) Boston, Massachusetts

SEPTEMBER 2025

- Kansas Bar Association Lawlawpalooza 2025, *PL 119-21—A State Perspective* (Disque), virtual session
- Taxpayers Federation of Illinois State & Local Tax Conference; *Agreement & Disagreement* (Hamer, presenter); Rolling Meadows, Illinois
- FTA Revenue Forecasting and Research Conference: State Taxation of Partnerships – Context for Revenue Forecasting (Hecht & Merrien presenters); The Evolution of the Federal International Tax System under Subchapter N (Hecht & Merrien presenters); Oklahoma City, Oklahoma

OCTOBER 2025

- Paul J. Hartman State and Local Tax Forum; *Top Ten Income Tax Cases to Watch* (Fort, presenter), *A Seat at the Government Roundtable* (Matson, moderator), *SALT Developments Impacting Multistate Pass-Through Entities* (Stosberg, panelist); Nashville, Tennessee
- The FTA Western States Association of Tax Administrators; The Impact of OBBBA on State and Local Taxes (Hecht, presenter); Albuquerque, New Mexico

DECEMBER 2025

- 2025 FTA Compliance Conference, *Not So Big and Beautiful Activities in the Federal Government* (Disque); *Legal Update – Commissioner's Summitt* (Disque, presenter); Jacksonville, FL
- NYU 44th Institute on State and Local Taxation, Recent Developments in the State Taxation of Passthrough Entities and their Owners (David Merrien, Panel Participation); New York, NY

JANUARY 2026

- ABA Mid-year Tax Meeting – SALT Committee and SALT Executive Committee (White, attendee); San Diego, CA
- Testimony before the House Ways and Means Committee of the Vermont

Legislature regarding proposed corporate tax legislation (Fort), via Zoom

FEBRUARY 2026

- Testimony before the Senate Tax, Tax, Business and Transportation Committee of the New Mexico Legislature on proposed corporate income tax legislation (Fort), Santa Fe, NM

MARCH 2026

- 2026 ABA/IPT Advanced Tax Seminar, *Modern Challenges to P.L. 86-272 (*Fort, panelist); New Orleans, LA

MAY 2026

- ABA Tax Section – 2026 May Tax Meeting; *Uniformity or Uncertainty? Evaluating the MTC's Draft Partnership Sourcing Rules (and State Pass-through Entity Tax Developments)* (Stosberg, panelist); Washington, D.C.
- Streamlined Sales and Use Tax Governing Board – 2026 Mid-year Meeting (White, attendee); Grand Rapids, MI
- NCSL SALT Task Force, (Hamer, attendee), Toronto, Ontario

JUNE 2026

- 2026 FTA Annual Meeting; *The Good, Bad, and Funny: Developments in SALT Litigation* (Disque, panelist); Nashville, TN
- 2026 FTA Annual Meeting; *State Sovereignty: Defining and Defending It* (Fort, panelist)*; Alternative Apportionment, When is it Appropriate, and Why?* (Fort, panelist); Nashville, TN
- Villanova Graduate Tax Program Fourth Annual State & Local Tax Forum, *A Moving Target: P.L. 86-272* (Hamer, panelist), Villanova, Pennsylvania
- 2026 Southeastern Association of Tax Administrators (SEATA) Annual Meeting; *News from the Salt Mine* (Disque, panelist); Greenville, SC
- U.C. Davis L.S., Summer Tax Institute*, The Zen of UDITPA* (Fort, Faculty Presenter); Davis, CA
- 2026 Southeastern Association of Tax Administrators (SEATA) Annual Meeting; *Hot Topics in Sales and Use and Digital Taxes* (White, panelist); Greenville, SC
- Institute for State Policy Leaders, State Tax Policy Seminar, *Sales Taxation of Digital Goods and Services*, (Hecht, panelist), Arlington, VA
- New Mexico Tax Research Institute, 2026 Annual Tax Policy Conference, *Big Changes and Trends in State Income and Sales Taxes*, (Hecht, panelist), Albuquerque, NM