



ADOPTING RESOLUTION

Revisions to the MTC Special Industry Regulation on Airlines, Reg. IV.18.(e)

WHEREAS, the Multistate Tax Commission approved the MTC Special Industry Regulation on Airlines, Reg. IV.18.(e), in 1983; and

WHEREAS, since 1983, the air travel industry has changed in significant ways and, as a consequence, airlines now receive various substantial streams of revenue that are not expressly addressed by the Regulation nor by guidance issued by the states; and

WHEREAS, these gaps may create uncertainty both for taxpayers and for revenue agency staff charged with administering the tax laws; and

WHEREAS, some language in the regulation is archaic or would benefit from greater clarity; and

WHEREAS, beginning in early 2024, the Model Receipts Sourcing Regulation Review Work Group met on multiple occasions to consider updates to the Regulation; and

WHEREAS, the Work Group's meetings were open to the public, both state representatives and members of the public were invited to offer comments throughout the drafting process, and drafts were revised to address input received by the airlines industry; and

WHEREAS, on

- November 7, 2025, the Work Group finalized proposed revisions to the Regulation and agreed to submit them to the Uniformity Committee for its consideration; and
- February 3, 2026, the Uniformity Committee approved the proposed revisions; and
- February 17, 2026, the Executive Committee approved the proposed revisions for a public hearing, and
- March 24, 2026, the hearing officer Jonathan White conducted a public hearing on the proposed revisions; and
- April 23, 2026, the hearing officer provided his report to the Executive Committee, which approved the proposed revisions for a Bylaw 7 Survey; and

WHEREAS, a majority of the affected Compact and Sovereignty Member States responded with approval to the Bylaw 7 survey;

now therefore, be it

RESOLVED, that the Multistate Tax Commission hereby approves the proposed revisions to the Regulation, by vote taken in accordance with its Bylaws,

As attested this day, August 11th of 2026.

Keith J. Richardson

Keith J. Richardson
Executive Director
Multistate Tax Commission