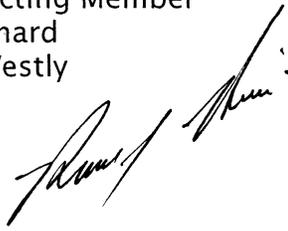


Memorandum

To : Honorable John Chiang, Chair
Honorable Claude Parrish, Vice Chairman
Ms. Betty T. Yee, Acting Member
Honorable Bill Leonard
Honorable Steve Westly

Date : October 12, 2005

From : Ramon J. Hirsig
Executive Director



Subject : **Executive Director Report - October 25, 2005**
Report on Multistate Tax Commission

Pursuant to your direction at the August 31, 2005 Board Meeting, I have prepared further information which addresses several issues surrounding the State of California's involvement in the Multistate Tax Commission (MTC). This information is for your review and consideration:

- 1. Legal Opinion Regarding Board of Equalization participation in MTC** - Attachment 1 contains a memo regarding the statutory scheme associated with California's enactment of the Multistate Tax Compact and provides a detailed analysis with respect to who is authorized by law to represent California as the member who votes at the Multistate Tax Commission meetings.
- 2. Business Case for California's MTC Involvement** - Attachment 2 contains a schedule of taxpayers identified to the State of California by the MTC Voluntary Disclosure program (individual taxpayer information redacted). Based on our analysis, it appears that the dollar amount and timing is generally consistent with preliminary numbers provided by the MTC.
- 3. MTC Federal Legislative Activity** - Attachment 3 contains a list of legislative positions taken by the MTC during the period 2000 - 2005 given before Congress. Pursuant to information obtained from Joe Huddleston, MTC Executive Director, MTC appeared before Congress in opposition to five pieces of legislation.
- 4. MTC Pending Issues 2005-2006 and Uniformity Proposal Adoption Process** - Attachment 4 contains a schedule of pending issues before the MTC that either the BOE or FTB will be asked to take a position on. This schedule identifies the issue, MTC Status, a brief explanation of the issue and a column reflecting the position (if known) of the respective state agency. I am currently in the process of obtaining FTB's position on issues affecting income tax. With regard to BOE issues, it is my intention to return to the Board later this year once a complete analysis and briefing have been provided to you.

5. **Future MTC Executive Meetings** – Attachment 5 contains a schedule of 2005-2006 MTC Meetings.

Future activities related to MTC:

- A. I am currently working on a memorandum of agreement with the Franchise Tax Board in order to formalize a process for sharing information and obtaining input from each agency prior to an MTC vote being cast. Once agreement has been reached in concept, I will return to the Board for approval.
- B. I anticipate attending or sending an appropriate delegate to the remaining 2005-2006 MTC Executive Meetings. Following each meeting I will provide the Board with a status report and additional recommendations as warranted.
- C. I will further develop and provide to the Board for your consideration at a future meeting those issues currently pending before the MTC. The MTC Executive Committee will likely decide in November when to schedule the matters before the full Commission. The actual date for which a vote is scheduled will depend somewhat on our participation.

I wish to reconfirm that I will not commit California on any substantive issue without first consulting with you. Unless the Board directs otherwise, I will proceed as indicated.

RJH:fr

Attachments

cc: Ms. Audrey Noda
Mr. Neil Shah
Ms. Sylvia Tang
Ms. Barbara Alby
Ms. Marcy Jo Mandel
Ms. Kristine Cazadd

State of California

Board of Equalization
Telephone (916) 445-4380
Legal Department - MIC:83

Memorandum

To : Mr. Ramon J. Hirsig
Executive Director

Date : September 19, 2005

From : Kristine Cazadd, Chief Counsel
K. Cazadd

Subject: Multistate Tax Commission Membership

At the meeting on August 31, 2005, the Members of the Board of Equalization expressed an interest in receiving more information regarding the statutory scheme associated with California's enactment of the Multistate Tax Compact. (Rev. & Tax. Code, § 38001 et seq.) In particular, the Board Members requested a detailed analysis with respect to who is authorized by law to represent California as the member who votes at the Multistate Tax Commission (MTC) meetings. This memorandum analyzes the relevant provisions of the statutory scheme in question and finds that all these provisions, whether read individually or as a whole, support the conclusion that: (1) the executive officer of the Franchise Tax Board (FTB), who is subject to the oversight of the FTB's three members, or an alternate duly designated by the FTB's executive officer, shall be California's voting member on the MTC during fiscal years beginning in even-numbered calendar years; (2) the executive director of the State Board of Equalization (BOE), who is subject to the oversight of the BOE's five members, or an alternate duly designated by the BOE's executive director, shall be the voting member during fiscal years beginning in odd-numbered calendar years; and (3) on matters of tax policy for purposes of providing authoritative guidance to the MTC member who will vote on California's behalf, the Legislature envisioned an entity called the "Multistate Tax Advisory Committee" (MTAC); however, since that entity has never been convened or met, each respective board provides such guidance to the MTC member who will vote that year.

Selection from the Heads of the Relevant Agencies

In 1974, the Multistate Tax Compact was enacted into law as Revenue and Taxation Code section 38006. Section 1 of Article VI of the Multistate Tax Compact specifically pertains to the organization and management of the MTC. In relevant part, Paragraph (a) of this section provides:

The Multistate Tax Commission is hereby established. It shall be composed of one "member" from each party State who shall be the head of the State agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the State shall provide by law for the selection of the Commission member from the heads of the relevant agencies. State law may provide that a member of the Commission be represented by an alternate but only if

there is on file with the Commission written notification of the designation and identity of the alternate. . . .

The Multistate Tax Compact applies to both income tax laws and sales and use tax laws. Because California has more than one agency charged with the administration of the types of taxes to which the Multistate Tax Compact applies (i.e., the FTB and BOE), California was required under the compact to provide by law for the selection of the MTC member from the “heads of the relevant agencies.” As explained below, the California Legislature has determined that the phrase “heads of the relevant agencies” should presently be interpreted as a reference to the FTB’s executive officer and the BOE’s executive secretary (now known as the BOE’s executive director).

Such an interpretation by the Legislature is unambiguously reflected by the legislative history of Revenue and Taxation Code section 38011, which was enacted in conjunction with California’s enactment of the Multistate Tax Compact itself. Revenue and Taxation Code section 38011 was enacted to meet the MTC member selection requirement that arises because California has more than one agency charged with the administration of the types of taxes to which the compact applies. As initially enacted in 1974, Revenue and Taxation Code section 38011 provided:

The *Executive Officer* of the Franchise Tax Board shall be the member of the Multistate Tax Commission to represent this state for the commission’s fiscal year period beginning in even-numbered calendar years and the *Secretary* of the State Board of Equalization shall be such member for the commission’s fiscal year period beginning in odd-numbered calendar years.

(Stats. 1974, ch. 93, § 3, p. 207 [emphasis added].) In 1976, Revenue and Taxation Code section 38011 was amended to provide:

The *Chairman* of the Franchise Tax Board shall be the member of the Multistate Tax Commission to represent this state for the commission’s fiscal year period beginning in even-numbered calendar years and the *Chairman* of the State Board of Equalization shall be such member for the commission’s fiscal year period beginning in odd-numbered calendar years.

(Stats. 1976, ch. 877, § 26, p. 2005 [emphasis added].) In other words, in 1974, the Legislature initially interpreted the phrase “heads of the relevant agencies” to mean the FTB’s executive officer and the BOE’s executive director. However, two years later, the Legislature reinterpreted this phrase to mean the respective Chairmen of the FTB and BOE. Finally, four years after that (i.e., in 1980), the Legislature returned to its initial interpretation and amended Revenue and Taxation Code section 38011 to provide:

The *executive officer* of the Franchise Tax Board shall be the member of the Multistate Tax Commission to represent this state for the commission’s fiscal year period beginning in even-numbered calendar years and the *executive secretary* of the State Board of Equalization shall be such member for the commission’s fiscal year period beginning in odd-numbered calendar years.

(Stats. 1980, ch. 426, § 34, p. 903 [emphasis added].) Thus, although the Legislature is aware that the phrase “heads of the relevant agencies” is susceptible to more than one interpretation, the Legislature has clearly determined that for purposes of MTC membership selection, this phrase shall presently be interpreted to be a reference to the executive officer of the FTB and the executive director of the BOE. This legislative interpretation has remained unchanged since 1980.

Approval of the Designated Alternate

As permitted in the above-quoted language from the Multistate Tax Compact, the Legislature has granted the FTB’s executive officer and the BOE’s executive director the power to designate an alternate to represent them as California’s MTC member, provided proper written notice is provided to the MTC. This power is granted under Revenue and Taxation Code section 38012, which states: “The member of the Multistate Tax Commission representing this state may be represented at any time by an alternate designated by the member if there is on file with the commission written notification of the designation and identity of the alternate.” However, given the statutory authority vested in the three-member FTB and the five-member BOE to prescribe and enforce the duties of FTB’s executive officer and the BOE’s executive director, respectively, it would be incumbent upon the MTC member to receive direction from his or her board members with respect to establishing policies regarding the exercise of the power to designate an alternate.

Policy Guidelines for the MTC Member Voting on California's Behalf

Finally, as to setting policy guidelines on matters of tax policy for purposes of providing authoritative guidance to the MTC member who will vote on California’s behalf at MTC meetings, the Legislature apparently initially envisioned that an entity called the “Multistate Tax Advisory Committee” (MTAC) would provide such guidance. In 1974, the Legislature initially enacted Revenue and Taxation Code section 38013 to provide that the MTAC would be comprised of the Attorney General, the Chairman of the Assembly Revenue and Taxation Committee, the Chairman of the Assembly Ways and Means Committee, the Chairman of the Senate Revenue and Taxation Committee and the Chairman of the Senate Finance Committee. (Stats. 1974, ch. 93, § 3, p. 207.) Shortly thereafter, in the same year, the Legislature amended Revenue and Taxation Code section 38013 to provide that the MTAC would be comprised of:

The Attorney General, the Controller, a member of the Assembly Revenue and Taxation Committee and a member of the Assembly Ways and Means Committee appointed by the Speaker of the Assembly, a member of the Senate Revenue and Taxation Committee and a member of the Senate Finance Committee appointed by the Senate Rules Committee, and the Director of Finance

(Stats. 1974, ch. 1381, § 2, p. 3005.) However, in the approximately 30 years that California has participated in the MTC, the MTAC has never convened, nor has the MTAC ever set forth any policy guidelines on matters of tax policy. Revenue and Taxation Code section 38013 does not impose on the MTC member the obligation of convening the MTAC.

In light of the foregoing, it would appear that the MTAC has been effectively abandoned. Accordingly, as to seeking authoritative policy guidelines on matters of tax policy, it would appear that the MTC member should take direction from his or her respective board members.

Mr. Ramon J. Hirsig

-4-

September 19, 2005

Historically, California's MTC member has also consulted with the executive management of the counterpart agency to ensure that he or she represents California's interests at MTC meetings as fully and effectively as possible. Apart from the "abandoned" provision in section 38013, there is no procedural guidance related to policy decisions; and this practice of the executive management of each agency is a reasonable exercise of their duties.

RF:jlh

Multistate.Mbrshp.doc

cc: Honorable John Chiang Chair
Honorable Claude Parrish, Vice Chairman
Ms. Betty T. Yee, Acting Member
Honorable Bill Leonard
Honorable Steve Westly

Mr. David Dau	MIC:63
Ms. Anita Gore	MIC:86
Ms. Randie Henry	MIC:43
Ms. Karen Johnson	MIC:69
Mr. Randy Ferris	MIC:82

The MTC reports that for the period July 1, 2000 to June 30, 2005, the total estimated revenue generated for California as a result of their Nexus Program is estimated at \$3.6 million. The Board's procedure when receiving such agreements from MTC, has been to provide the MTC and their anonymous participant, with information on California's disclosure program. Section 6487 of the Sales and Use Tax Law provides for a three-year rather than an eight-year statute of limitations under specified circumstances. This attachment contains a schedule of taxpayers identified to the State of California by the MTC Voluntary Disclosure program. Based on an analysis of registration data by our Sales and Use Tax Department, it appears that the dollar amount and timing is generally consistent with the preliminary numbers provided by the MTC.

MTC Voluntary Disclosures

Anon Num	Start Date per MTC (1)	Company Name	Company FEIN	City	State/Prov.	Registered to collect SUT	Start Date (SD)	Account Creation Date (CD)	Tax Amount from SD to CD	Tax Amt. From CD to Present	Total Amounts
02-70	5/23/2002					NO					
02-73	10/17/2002			New York	NY	Yes	10/1/1999	12/15/2002	\$4,753	\$4,775	\$9,528
01-51	2/26/2002			Oshkosh	WI	Yes	1/1/1999	3/18/2002	\$17,793	\$23,545	\$41,338
01-60	4/1/2002 (2)			Skokie	IL	Yes	1/1/1998	1/8/2002	\$436,801	\$2,718,751	\$3,155,552
03-74	4/30/2004			Easton	PA	Yes	7/1/1999	6/1/2004	\$39,099	\$61,140	\$100,239
01-93	9/4/2002			Fairfield	NJ	Yes	1/1/1999	9/19/2002	\$5,104	\$44,809	\$49,913
02-61	3/31/2003			Ottawa, ON /K2E724	Canada	Yes	7/1/1999 Annual	5/15/2003	\$3,362	\$974	\$4,336
00-50	12/21/2001			Birmingham	AL	Yes	1/1/1998	8/3/2001	\$52,919	\$48,781	\$101,700
03-55	8/11/2003			Northampton	MA	Yes	2/1/2000	10/23/2003	\$125,924	\$134,834	\$260,758
01-62	5/19/2003			Port Washington	NY	Yes	4/1/2000	6/2/2003	\$472,637	0	\$472,637
01-78	4/1/2003			Port Washington	NY	Yes	1/1/2000	5/8/2003	\$188,589	0	\$188,589
02-91	10/27/2003			Plano	TX	Yes	4/1/1999 C/O 6/30/2003	11/6/2003	\$12,595	0	\$12,595
01-54	4/14/2003			Indianapolis	IN	Yes	1/1/1999 Annual	5/14/2003	\$45,518	\$2,802	\$48,320
03-66	7/9/2004			Beaverton	OR	Yes	4/1/2001	8/18/2004	\$68,750	\$29,097	\$97,847
Total									\$1,473,844	\$3,069,508	\$4,543,352

(1) "Start Date per MTC" is generally the date on which the taxpayer was disclosed to the State of California. Per phone conversation with Sheldon Laskin, Director, MTC National Nexus Program and Thomas Shirkkin, MTC Counsel.

(2) This is the date the check was issued by the taxpayer. The taxpayer was disclosed to the State of California in Dec. 2001.



MTC National Nexus Program: Member Revenues*

REVENUE GENERATED BY THE NEXUS PROGRAM FOR THE STATE
OF

CALIFORNIA - BOE

For the Period

July 1, 2000 to June 30, 2005

Report Summary

Actual MTC recorded Nexus Program Collections for the period of July 1, 2000 to June 30, 2005	\$1,025,904
Estimated Collections received during reporting period based on Agreements (settlements) for this period	\$733,853
Estimated Future Collections beyond reporting period based on Agreements (settlements) for this period	\$1,922,386
Total Estimated Revenue Generated by Nexus Program:	\$3,682,143

Member Fees For This Period: \$93,571

Member fees for Fiscal Year(s) included in this reporting period.

** To provide a benefits to fees ratio, Fees are hypothetical based on Nexus Member Fees waived by agreement with California for a five year period. Fee used for BOE is one-half the calculated amount for California as a whole. This is for informational purposes only. **

**Total Estimated Revenue for the State
for every \$1 in hypothetical Member Fees: \$39.35**

*Recorded payments generally consist of checks from the taxpayer that are forwarded to the state by the MTC. Occasionally the MTC may record payments based on information provided by the state or the taxpayer. Estimates are based on the best data available to the MTC. When possible, actual tax payments for previous years are used as estimates for current and future payments. Otherwise estimates found in the anonymous agreement are used.

CALIFORNIA - BOE

Anonymous Number	Tax Type	Recorded Collections*	Estimated Collections*	Future Collections*	(**Included Through Year)	Total Amount
<i>General Voluntary Disclosure Agreements</i>						
03-74	Sales	\$41,968	\$9,904	\$149,989	(2012)	= \$159,893
03-66	Sales	\$68,984	\$13,797	\$208,932	(2012)	= \$222,728
03-55	Sales	\$180,238	\$118,075	\$513,605	(2011)	= \$631,680
02-91	Sales	\$17,879	\$7,898	\$34,356	(2011)	= \$42,254
02-73	Sales	\$3,288	\$3,190	\$7,038	(2010)	= \$10,228
02-70	Sales	\$4,220	\$0	\$0	0	= \$0
02-61	Sales	\$9,757	\$4,601	\$20,015	(2011)	= \$24,616
01-93	Sales	\$5,143	\$6,402	\$14,125	(2010)	= \$20,527
01-78	Sales	\$0	\$0	\$0	(2011)	= \$0
01-62	Sales	\$406,956	\$0	\$0	(2011)	= \$0
01-60	Sales	\$239,851	\$466,763	\$791,725	(2010)	= \$1,258,489
01-54	Sales	\$58,773	\$12,554	\$54,605	(2011)	= \$67,159
01-51	Sales	\$15,672	\$32,499	\$53,587	(2010)	= \$86,086
00-50	Sales	\$23,175	\$58,169	\$74,408	(2009)	= \$132,578

**This is the last year the contract with this taxpayer is in effect. Beyond this year we stop attributing tax collections to this disclosure, for purposes of MTC reports.

Thursday, September 01, 2005

Page 2

Source Data Last Updated: 8/31/2005 3:23:19 PM

CALIFORNIA - BOE

Anonymous Number	Tax Type	Recorded Collections*	Estimated Collections*	Future Collections*	(**Included Through Year)	Total Amount
Total Collections:		\$1,025,904	+	\$733,853	+	\$1,922,386 = \$2,656,239

**This is the last year the contract with this taxpayer is in effect. Beyond this year we stop attributing tax collections to this disclosure, for purposes of MTC reports.

Thursday, September 01, 2005

Source Data Last Updated: 8/31/2005 3:23:19 PM

Federal Legislative Activity

June 29, 2000

Testimony of R. Michael Southcombe, Chair, Idaho State Tax Commission and MTC Chair, in opposition to H.R. 4267, Internet Tax Reform and Reduction Act of 2000.

March 14, 2001

Testimony of Elizabeth Harchenko, Director, Oregon Department of Revenue and MTC Chair, in opposition to S. 288, Internet Tax Nondiscrimination Act of 2001.

September 11, 2001

Testimony of June Summers Haas, Commissioner, Michigan Department of Treasury, in opposition to H.R. 2526, Internet Tax Fairness Act of 2001.

July 16, 2002

Letter from Elizabeth Harchenko, Director, Oregon Department of Revenue and MTC Chair, in opposition to H.R. 2526, Internet Tax Fairness Act of 2001.

May 13, 2004

Statement of the Multistate Tax Commission in opposition to H.R. 3220, Business Activity Simplification Act of 2003.

Testimony of Rick Clayburgh, Commissioner, North Dakota Tax Commission and Treasurer of the MTC Executive Committee, on behalf of the National Governor's Association, in opposition to H.R. 3220.

September 27, 2005

Testimony of Joan Wagon, Secretary, Kansas Department of Revenue and MTC Chair, and on behalf of the National Governor's Association and the National Conference of State Legislatures, in opposition to H.R. 1956, Business Activity Simplification Act of 2005.

Multistate Tax Commission – Pending Issues

MTC Issue	MTC Status	Tax Program	FTB Position	BOE Position
Model Combined Reporting Statute	Pending vote before the full commission* (Step 8)	Income Tax – This model statute follows the California approach of world-wide combined reporting for corporate income taxpayers, with a waters edge election. Unitary corporate income taxpayers, with a water’s-edge election. Unitary corporate income taxpayers would be required to be combined and unitary non-corporate income taxpayers may also be required to be combined by regulation or a case-by-case basis in situations of abuse.		
Model Affiliate Nexus Statute	Pending vote before the full commission* (Step 8)	Sales Tax – This model statute, similar to those enacted in a number of other states, finds nexus where an out-of-state corporation enhances its ability to establish or maintain a market in a state through its relationship with an in-state affiliate by use of the same or similar name or through services provided by the in-state affiliate.		* *
Model Interest and Intangible Expense Add-back Statute	Public hearing stage (Step 6)	Income Tax - This proposal is modeled on statutes passed by a number of states. It deals with the add-back of expenses for intangibles in a separate section from the add-back for interest to assist a state that wishes to adopt only one of the sections. Substantively, the sections are largely the same.		
Model Statute on Reportable Transactions and Inconsistent Filing Positions and Model Statute on Tax Avoidance Transaction Voluntary Compliance Program	Public hearing stage (Step 6)	Income Tax - The purposes of the Reportable Transaction Statute is to piggy-back on federal statutes requiring the disclosure of abusive or questionable transactions, and to require the disclosure of inconsistent filing positions taken by a taxpayer in different states.		

* Frank Katz, MTC General Counsel has indicated that these proposals were pending before the full commission at the July annual meeting. But the matters were not voted on since California, Michigan and Texas were absent. MTC decided to wait until representatives from these states were present before bringing the matters to vote. The Executive Committee in November will likely decide when to schedule the matters before the full Commission. The actual date for which a vote is scheduled will depend somewhat on BOE participation.

** The Legal staff responded on August 4, 2005, to MTC’s request for completion of a survey regarding a Proposed Model Affiliate Sales Tax Nexus Provision. That survey response stated that “At the present time, California’s statutes, applicable regulations, and these memorandum opinions do not appear to be amenable to conferring the expansive interpretation of nexus that the Proposal suggests.”

Multistate Tax Commission – Pending Issues

MTC Issue	MTC Status	Tax Program	FTB Position	BOE Position
Proposed Statute for Taxation of Internet Hotel Intermediaries	Project in development (Steps 1-3)	Sales Tax - Not a California issue – Exempt -This proposal is in development in the Sales and Use Tax Subcommittee. It deals with proper application of state and local lodger’s tax to the portion of the charge for a hotel room made by an Internet intermediary that is not remitted to the hotel.		
Proposed Amendments to MTC Reg. IV.17(2)	Project in development (Steps 1-3)	Income Tax – To define “income producing activity” for the purpose of sourcing sales other than tangible personal property. The current regulation excludes “transactions and activities performed on behalf of a taxpayer.” The proposal would reverse the current treatment and include transactions and activities performed on behalf of a taxpayer under specified circumstances. The proposal is motivated by recent case law and increased use of outsourcing.		
Proposal for Special Apportionment for Telecommunications Services	Project in development (Steps 1-3)	Income Tax - This proposal would make source sales of telecommunications services to the state of the customer. It is in its initial stages of development. Substantial work has been done on identifying the issues and drafting language.		

Outline for MTC Proposal

Page 1

The Multistate Tax Commission develops uniformity proposals (a recommendation to its member States and other States) by the following process when the proposal has a significant potential impact on the treatment of income or transactions involving multistate commerce. The MTC considers that a true proposal exists only after Step Eight. Even at the completion of the Step Eight, actual adoption of the proposal requires the affirmative action of the States (Step Nine). The uniformity process typically proceeds as follows:

Step One: When requested by the MTC Uniformity Committee (which is comprised of state revenue agency personnel appointed annually by their directors of revenue), the staff develops an exploratory draft of the issue under study.

Step Two: The Uniformity Committee reviews the staff draft and invites initial public comment.

Step Three: With regard to uniformity matters drawing broad public interest (as partially determined from the comments received following release of the revised staff draft), the Uniformity Committee will, at the completion of its work, generally recommend to the Executive Committee the development of a broad-based public participation process to review the then current version of the proposal. Matters not affecting a broad, public interest may be referred by the Uniformity Committee directly to Step Five.

Step Four: The public participation process is developed. Specifically, a public participation working group is formed that represents the interest of the States, affected commerce, and the public at large, possibly including academics.

Step Five: The Uniformity Committee reviews the work of the public participation working group and makes a recommendation regarding it **to the** Executive Committee.

Step Six: A formal public hearing is conducted, pursuant to the requirements of Article VII of the Compact and the Commission Bylaws. Following the conclusion of the public hearing, the hearing officer, or, possibly, a hearing panel, makes a recommendation on the draft. The hearing officer/panel may recommend Commission adoption of the proposal as referred to it, adoption of an amended version of the proposal, or non-adoption of any proposal.

Step Seven: The Executive Committee reviews the hearing report and recommendation. The uniformity recommendation of the hearing officer/panel may be passed on to the full Commission, amended and passed on to the Commission, disapproved entirely, or referred back to an earlier step in the process. If the Executive Committee chooses to pass any version of the proposal on to the Commission, it first authorizes (pursuant to MTC Bylaw 7) a polling of the affected Commission Member States to ensure that a majority of the affected States would consider adoption of the draft proposal. (This survey does not determine if the affected States

Outline for MTC Proposal

will adopt the proposal—only whether the affected States will consider adoption of the proposal.) If the majority of the affected Commission Member States so indicate, the matter is referred to the full Commission for possible adoption as a uniformity recommendation.

Step Eight: The full Commission votes on adoption of the recommendation. In order to be adopted, the proposal must receive the affirmative approval of the requisite majorities of the States by number and by population.

Step Nine: Following adoption of the proposal as a Commission uniformity recommendation to the States, the proposal is submitted to the States for their consideration. All recommendations of the Commission are advisory to the States. For a recommendation to become effective in any State, that State must affirmatively adopt the proposal.

Adapted from MTC website: <http://www.mtc.g0vTUNIFORMI9STEPS.HTM>

Multistate Tax Commission

444 North Capitol Street, NW, Suite 425, Washington, DC 20001-1838

Washington, DC
Chicago
New York
Texas

[About the MTC](#) | [Policy Resolutions](#) | [Uniformity](#) | [Taxpayer Services](#) | [Meetings](#) | [Links](#)

Calendar of Events

Meetings
Teleconferences
Training for the States
Public Hearings
Seminars/Conferences
2005 Annual Conference Presentations

MTC Home

Meetings

(For teleconferences, click here.)

October 2005

The Audit and Computer Technology Workshop
[Government only] Agenda
October 2-5, St. Louis, MO

November 2005

Fall Program and Executive Committee Meetings
November 6-10 Washington, D.C.

January 2006

Winter Executive Committee Meeting
January 5-6 San Diego, California

March 2006

Winter Program Committee Meetings
March 14-17 Nashville, TN

August 2006

39th Annual Conference and Committee Meetings
August 13-18, Topeka, Kansas
(Please Note: Dates Changed!)

Statement Regarding Public Participation

Generally, meetings of the Commission and its Committees are public. Persons attending public sessions need not identify themselves. However, some of the listed meetings may not be entirely public. Under the Commission's Public Participation Policy, closed meetings may be held in matters involving certain personnel issues and the acquisition/disposition of real estate, matters required by law to be confidential, including discussion of certain taxpayer information, and some discussions with counsel over pending litigation. For your convenience, you may choose to contact René Blocker, Deputy Director, at (202) 624-8699, for an indication of which of the listed meetings may not be entirely public. Your contact, which may be on an anonymous basis, also permits the Commission to provide adequate seating.

For more information concerning any meetings or events listed in this Calendar, please contact Bill Six, MTC Administrative Officer, at the Commission's Washington, DC headquarters office (202) 624-8699. Please note that there are no registration fees associated with attendance at meetings of the Multistate Tax Commission or its committees; however, registration fees are charged for the Annual Meeting Seminar (and associated social events) and the Fall Business-Government Dialogue on State Tax Uniformity.