



MULTISTATE TAX COMMISSION

UNIFORMITY COMMITTEE – DEVELOPMENTS REPORT

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SOME WEBSITE ADDITIONS/CHANGES

MTC
MULTISTATE TAX COMMISSION

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.

Search Search

The Commission ▾ Uniformity ▾ Nexus ▾ Audit ▾ Events & Training ▾ Resources ▾

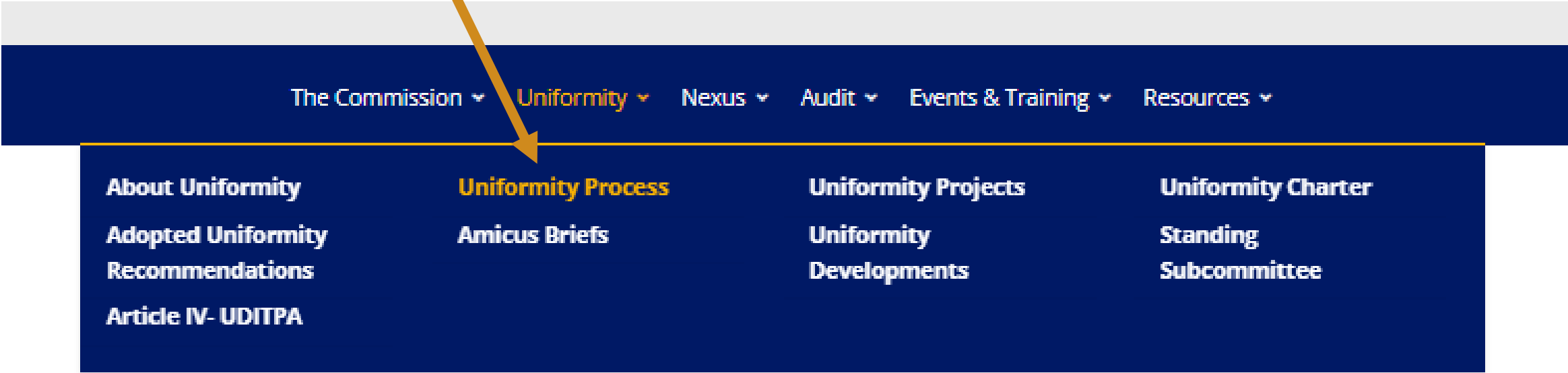
2024 Fall Committee Meetings

November 18-21, 2024

The Attorney Training session, Litigation Committee, Audit Committee, Nexus Committee, Uniformity Committee, Strategic Planning Committee, and Executive Committee will be meeting in Santa Fe, New Mexico

[More Info](#)

An addition to the MTC website is here under the Uniformity Tab and has to do with the Uniformity Process.



The image shows a screenshot of a website's navigation menu. The menu is dark blue with white text. The top navigation bar includes: The Commission ▾, Uniformity ▾, Nexus ▾, Audit ▾, Events & Training ▾, and Resources ▾. An orange arrow points from the text above to the 'Uniformity' link. Below the 'Uniformity' link, a dropdown menu is visible with four columns of links:

About Uniformity	Uniformity Process	Uniformity Projects	Uniformity Charter
Adopted Uniformity Recommendations	Amicus Briefs	Uniformity Developments	Standing Subcommittee
Article IV- UDITPA			

Posted there is a Uniformity Handbook which summarizes the rules governing the uniformity process.

Uniformity Process & Handbook

Uniformity Handbook – [PDF](#)

The Uniformity Handbook is a resource for state participants and MTC staff who work on uniformity projects through the Multistate Tax Commission (MTC). It includes a summary of the rules the process follows, from all governing documents, and is organized into three sections:

- Section A – Provides a general overview of the MTC's uniformity work.
- Section B – Describes the uniformity process using a question-and-answer approach.
- Section C – Contains an appendix with excerpts of authorities governing the process.



The link takes you to the document (PDF) which has excerpts from all the authorities and rules governing the uniformity process generally.



MTC Uniformity Handbook

Prepared by MTC Staff
November 2024

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Public Participation Policy (PPP) – Available here: PPP - Revised 18

Uniformity Committee Charter (Charter) – Available here: CHARTER..... 21

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The rules for conducting the uniformity business of the committee and the commission are summarized according to the steps in the process and the relevant excerpts from those rules are also included in an appendix.



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But also note Section A.

The goal of this handbook is not only to summarize the rules generally used in our uniformity process—but also to discuss how our uniformity work fits within the overarching purpose of the MTC, the other important work we do—audit, nexus, training, etc.—and our relationships to other organizations that may also be focusing on these issues.

**NOTE ON TWO
TYPES OF
PROJECTS**

First Type - Uniform or Model Rules:

- The issue to be addressed is fairly clear.
- Result is actual text of proposed models along with other information.

NOTE ON TWO TYPES OF PROJECTS

The goals may differ slightly:

- Goal of Uniform Rules:
Have states use the same approach so as to avoid duplicative taxation.
- Goal of Model Rules:
Provide states that want to tax something a workable way to do it if they choose.

Second Type - Research or White Papers:

Other projects involve significant research or study of emerging or complex tax issues and produce information, research, and white papers for use by state policymakers.

**NOTE ON TWO
TYPES OF
PROJECTS**

Goals of Research or White Papers:

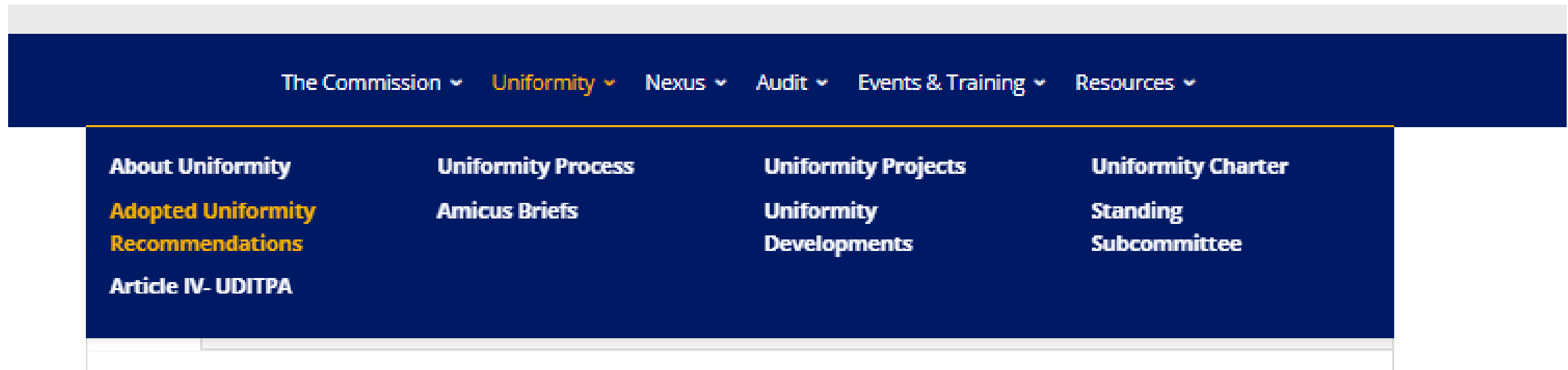
- Strong educational and informational component.
- Sharing of state experiences is also key—for example, the digital project is based on Washington’s experience.
- May, but does not necessarily have to, produce uniform or model rules.

**NOTE ON TWO
TYPES OF
PROJECTS**

BOTTOM LINE

- Handbook sets out the general rules used in the uniformity process.
- Those rules are flexible enough to accommodate both types of projects.
- The particular uniformity process may differ based on the nature of the project.
- In addition - educational and informational sessions, stakeholder interviews and discussions, study groups, or working with other organizations (AICPA, ABA, FTA, Streamlined, etc.) may be useful.
- See:
 - MTC Whitepaper on Wayfair Implementation
 - Work with FTA on the Universal POA
 - Work with various groups on the model for assessing state tax on federal partnership adjustments

And a change to the MTC website is here under the Uniformity Tab and has to do the Adopted Uniformity Recommendations.



Adopted Uniformity Recommendations

Note	Contact Information
<p>The models are organized into the general categories:</p> <ul style="list-style-type: none">• General Allocation and Apportionment• Special Industry Rules• Combined Reporting• Corporate Income Tax Nexus, and P.L. 86-272• Partnerships, S Corporations, Trusts, REITs, and Individual Income Taxes• Sales & Use or Excise Tax• Tax Administration <p>See also the Uniformity Developments page.</p>	

General Allocation and Apportionment Rules	•
Special Industry Apportionment Rules	•
Combined Reporting & Related Party Add-Back	•
Corporate Income Tax Nexus & P.L. 86-272	•
Partnerships, S Corporations, Trusts, REITs, and Individual Income Taxes	•
Sales & Use or Excise Tax	•
Tax Administration	•

The Adopted Uniformity Recommendations page has been modified with drop-down sub-headings. The models are organized by sub-heading.

So clicking on the sub-heading will take you to a drop-down, and the models under that sub-heading.

Adopted Uniformity Recommendations

Note	Contact Information
<p>The models are organized into the general categories:</p> <ul style="list-style-type: none">• General Allocation and Apportionment• Special Industry Rules• Combined Reporting• Corporate Income Tax Nexus, and P.L. 86-272• Partnerships, S Corporations, Trusts, REITs, and Individual Income Taxes• Sales & Use or Excise Tax• Tax Administration <p>See also the Uniformity Developments page.</p>	
General Allocation and Apportionment Rules	
Special Industry Apportionment Rules	
<ul style="list-style-type: none">• Special Rule: Airlines• Special Rule: Construction Contractors• Special Rule: Publishing• Special Rule: Railroads• Special Rule: Television and Radio Broadcasting• Special Rule: Trucking Companies• Special Rule: Telecommunications and Ancillary Service Providers• Special Rule: Receipts Factor – Bank Holding Companies and Subsidiaries• Recommended Formula for the Apportionment and Allocation of Net Income of Financial Institutions	
Combined Reporting & Related Party Add-Back	
Corporate Income Tax Nexus & P.L. 86-272	

Special Rule: Airlines

Adopted in 1983, this model provides special industry rules for allocating and apportioning the income of commercial airlines and for sourcing receipts, property, and payroll.

Adopted Model

Document Library

Back to the [Adopted Uniformity Recommendations](#) page.

Clicking on the name of the model will then bring up that model page and will provide you with the model itself and any other documents archived there.

Special Rule: Airlines

Adopted in 1983, this model provides special industry rules for allocating and apportioning the income of commercial airlines and for sourcing receipts, property, and payroll.

Adopted Model

Document Library

- 1983 – Notice and Submission of Proposed Airlines Model ([PDF](#))
- 1983 – Hearing Officer Report – Airlines Model ([PDF](#))
- 1982 – Hearing Transcript – Airlines Model ([PDF](#))
- 1983 – Memo to Executive Committee – Airlines Model ([PDF](#))
- 1982 – Letter from California FTB on Airlines Model ([PDF](#))
- 1982 – Memo from Executive Director to Uniformity Committee ([PDF](#))
- 1981 – Letter from Airlines Industry to Executive Director ([PDF](#))
- 1981 – Memo from Executive Director on Meeting with the Airlines Industry ([PDF](#))

OTHER UNIFORMITY DEVELOPMENTS

- MTC Statement on P.L. 86-272
 - The MTC Statement on P.L. 86-272 continues to get attention and is even mentioned in a recent U.S. Supreme Court petition, although its not at issue in that case.
- Digital Project
 - The press is closely following the digital project.
 - A similar project has been undertaken by NCSL.
 - We will present on this project at FTA.
 - We continue to work closely with Streamlined and will be giving them the results of our bundling exercise to use.

OTHER UNIFORMITY DEVELOPMENTS

- Partnership Project
 - Staff have been working on crunching numbers—along with others—to test how blended apportionment can work in apportioning distributive share where there are corporate and tiered partners.
 - Also following other developments—for example—a recent case out of the Virginia Court of Appeals, *FJ Management, Inc.*, where blended apportionment was found not to apply because there was no showing that the interest held by the corporate partner was unitary.
 - Also working on training for state tax administrators on partnership taxation – to be held in New Orleans, January 13-15.

OTHER UNIFORMITY DEVELOPMENTS

- The work on apportionment regulations is getting attention. (Note: Summary of the work on the ground transportation is on the project page – [here](#):

PROJECT DOCUMENTS – Meeting Materials and Background Information

The documents and information below have been organized according to the industry or special regulation category.

The information here includes meeting materials, meeting notes, comments from states or members of the public, and background information.

Meeting Materials Transportation-Related Sourcing Rules

Air Transportation:

Work Group Drafts & Memos

- [Special Airlines rule draft revision](#) – updated 6/27/2023
- [Sourcing of Airlines revenue – State chart](#)
- [Airline credit card memo](#)
- [Special Airlines rule draft revision](#) – updated 6/2023
- Airline model rule – [suggested changes](#) – submitted by M. Harbur (April 20, 2023)

Background Materials

- [Alaska Airlines case \(Oregon Tax Court\)](#) which addresses the sourcing of codeshare revenue
- [United States v. American Airlines Group Inc.](#)
- [MTC Airline Rule sales factor fraction](#)
- [Current MTC Model Special Rules: Airlines](#)

Ground Transportation and Product Delivery Services:

- Closing Memorandum – August 20, 2024 ([PDF](#))([Word](#))



QUESTIONS?

