MULTISTATE TAX COMMISSION

444 North Capitol St., NW
Suite 425
Washington, DC 20001-1538
Telephone: 202.650.0300

www.mtc.gov

Minutes
Nexus Committee Meeting (Open Session)
July 21, 2025
Hilton Salt Lake City Center
255 South West Temple
Salt Lake City, UT 84101

Listed below are the attendees (*virtual or telephone):

Alaska	Michael Williams
Alabama	Derrick Coleman, Vicki Gardino, Christina Hall, Mia LeRoy, Timothy Sanders, Matt Tidwell
Arkansas	Rob Allen, Matthew Benson, Tommy Burns*, Paul Gehring
Arizona	Christy Comanita
Colorado	Natalie Barajas*, Debbie Van Wyke, Samwel Khakame*, Kathy Mui*
District of Columbia	Aaishah Hashmi
Georgia	George Anish*
Idaho	Nathan Nielson*, Amber Ortiz, Jim Rice, Aaron Yost
Iowa	Ben Clough, Ronda Detlefsen*
Kansas	Michael Hale*, Nathan Hoeppner, Charla Wagner*
Kentucky	Latonia Dooley*, Victoria Nichols*
Louisiana	Renee Roberie*, Mia Strong
Massachusetts	Michael Fatale
Michigan	Angela Matelski*
Minnesota	Tracy Bjerke*, Cassie Diemert*, Cynthia LaBarge, Shannon Nelson*, John Weiser*
Mississippi	Jan Craig*, Bridgette Thomas*
Missouri	Zackary Wyatt
Montana	Thomas Fox*, Mark Schoenfeld, Katherine Talley*
Nebraska	Joyce Carhart*, Cynthia Carpenter*, Shay Connely*, Nicolas Doucet*, Shailana Dunn-Wall*, Mary Hugo*, Karla Koehler*, Stacie Odom*, Katherine Rich*, Julie Schuur*, Cindy Sukhram*, Tutu Wah*
New Hampshire	Barbara Beelle*, Fred Coolbroth*, Robert LaBrecque*, Jacob Thom*
New Jersey	Ella Dillon*, Sangita Bose*
New Mexico	Veronica Galewater*, Dee Wald
North Carolina	Ashley McGhee*
North Dakota	Matt Danielson, Charles Dendy*, Shannon Fleischer*, Matt Peyerl
Oregon	Tamera Combs*, David Gerstenfeld, Greg Harris*, Victoria Johnson*, Tracy Jones*, Joseph Royston
South Dakota	Kathy Smith*

Tennessee	Hal Jones, Nicholas Reich, Sharon Jackson*
Texas	Rusty Johnson, Julio Mendoza-Quiroz*
Utah	Rod Boogaard, Matt Duke*, Kelsey Gallacher, Frank Hales, Angie Hillas, Michelle Lombardi*, Josh Nelson*, Shelley Robinson, Tiffany Southworth, Kathyrn White
Washington	Bryan Kelly, Shantelle Smail
Wisconsin	Amber Herman*, Joseph Wasicak*, John Wilson*
Multistate Tax Commission	Chris Barber, Lila Disque, Richard Cram, Cathy Felix, Greg Matson*, David Merrien, Jeff Silver, Diane Simon-Queen*, Jennifer Stosberg, Sal Tomaselli*, Jonathan White, Steve Yang, Bryan Steger (AV staff contractor), Matthew Werre (AV staff contractor)
Avalara	Scott Peterson*, Brian Smith*
Bloomberg	Michael Bologna
COST	Priya Nair*
DELAPCPA	Kim Lohr*
FAST	John Vacchiarelli
Law360	Paul Williams*
Multistate Associates	Deborah Bierbaum
NTUF	Andrew Wilford*
Rubin Brown	Maya Crawford*
Ryan	Argi O'Leary*
State Tax Law , LLC	Victoria Blazeski*
Tax Analysts	Cameron Browne*
Tax Cloud	Bruce Johnson
Sales Tax Institute	Diane Yetter
Other	R Arvayo*, Silvia Camacho-Scyoc*, P Dirkmaat*, T Gerhardt*, Debra Gusak*, Amy Hamilton*, E Hoxhal*, Katy Stone*, Samantha Trencs*

54 in-person attendees; 78 virtual attendees

Bryan Kelly, Chair (WA), brought the meeting to order at 1:30 pm MDT, introductions of attendees were made, and public comment was invited.

<u>Public Comment</u>

No public comment was offered.

<u>Jeffrey Friedman, Professor Richard Pomp (both virtual) and Richard Cram discussion of Commerce Clause concerns regarding use tax on mobile equipment: *Ellingson Drainage, Inc. v. South Dakota Department of Revenue*</u>

Jeffrey Friedman and Professor Pomp appeared virtually for a discussion with Richard Cram concerning whether the external consistency test under the "fair apportionment" factor of the *Complete Auto* 4-part test should require apportionment of the use tax on construction equipment (some for not more than a day) brought into the state and used on 30 construction projects by the taxpayer from Minnesota in

South Dakota during the 3-year audit period. The South Dakota Department of Revenue had assessed use tax on that equipment for the full depreciated value, and the South Dakota Supreme Court affirmed the assessment. Jeffrey Friedman and Professor Pomp argued that apportionment was required based on the time of use of the equipment in the state. They had filed a petition for certiorari with the U.S. Supreme Court in the case, which was denied last fall. Richard argued that because use tax is a one-time tax due only if no sales tax was paid and it compensates the state for the lost sales tax, it need not be apportioned so long as it provides a credit for sales or use tax paid to other states, thus preventing multiple taxation. No sales or use tax had been paid in this case.

<u>Minutes</u>

Aaron Yost (ID) moved for approval of the minutes of the April 30, 2025 open session portion of the Nexus Committee meeting, and the minutes were approved by unanimous voice vote.

<u>FY 2025 Nexus Director's Report and Update on Recent Nexus Law Developments since April 30, 2025</u>

Richard Cram, Director of the National Nexus Program, reviewed for the Committee his Update on Recent Nexus Law Developments since April 30, 2025 and the FY 2025 Nexus Program Director's Report. Back tax collections from agreements closed between July 1, 2024 and June 30, 2025 were $29,083,242 with 498 executed agreements, which ran slightly ahead of last fiscal year's results. He stated that a Massachusetts Nexus School was held on May 6-7, 2025 in Chelsea, MA and a New Hampshire Nexus School was held on June 10-11, 2025 in Concord, NH. Richard encouraged other states interested in hosting a Nexus School to contact MTC training staff.

<u>Presentation by Bryan Kelly, Chair (WA) on Washington State's Expanded Voluntary Disclosure Program</u>

Bryan Kelly gave a Powerpoint presentation on Washington's expanded voluntary disclosure program, which can now include foreign sellers and can involve a shortened lookback period to encourage participation by such sellers.

<u>Proposal to amend the Multistate Voluntary Disclosure Program Procedures to add example to Paragraph 6.2</u>

Richard Cram presented his memorandum and proposed amendment to the Procedures (attached) to add an example to Paragraph 6.2 illustrating the situation when a taxpayer receives a state-signed agreement, modifies it to shorten the lookback period by one year, and the state does not accept the change. The example makes clear that pursuant to Paragraph 6.2 of the Procedures, that would be considered a voluntary disclosure of identity to the state by the taxpayer, and the state could use that information in tax enforcement activity.

Several revisions were suggested to change the second sentence of the example, until consensus was reached on the version shown below, with the change shown by the stricken text:

"Example: Taxpayer receives a state-signed agreement, modifies it by changing the lookback period start date to a date one year later, signs it and discloses the taxpayer's identity on the taxpayer signature page, then returns the document to the state. The state does not agree to the taxpayer's modification ~~of the lookback period start date and voids the agreement~~. The taxpayer's disclosure of identity in the agreement returned to the state would be considered voluntary, and the state could use that information to pursue enforcement activity against the taxpayer."

Matthew Peyerl (ND) moved for approval to add the above example language to Paragraph 6.2 of the Procedures, and the following states voted in favor of the motion: Alabama, Arkansas, Colorado, District of Columbia, Idaho, Kansas, Kentucky, Massachusetts, Minnesota, Missouri, Montana, New Mexico, North Dakota, Oregon, Tennessee, Utah, and Washington. No states voted against the motion, and Texas voted to abstain. The motion passed.

Annual consideration Nexus Committee Charter

Chair Bryan Kelly asked if anyone had suggested changes to the Nexus Committee Charter and no suggestions were made, so none were proposed or adopted.

New Business

Chair Bryan Kelly asked if there was any new business, and none was proposed. The Chair then reminded everyone and encouraged attendance at the following upcoming meeting:

2025 Fall Meetings, November 17-20, 2025 in New Orleans, LA

The Chair recessed the open session portion of the meeting at 3:00 pm MDT in order for the Committee to commence the closed session.

Closed Session

The committee entered closed session at 3:15 pm MDT to discuss matters protected from disclosure.

Open Session
Chair Bryan Kelly re-convened the open session following conclusion of the closed session and had nothing to report.

Aaron Yost (ID) moved for adjournment that was approved unanimously by voice vote, and Chair Bryan Kelly adjourned the meeting at 4:35 pm MDT.

Memorandum

To: Bryan Kelly, Chair, Nexus Committee

From: Richard Cram

Re: Recommendation for amendment to Multistate Voluntary Disclosure Procedures to add example to Paragraph 6.2

Date: July 21, 2025

During the closed session of the Nexus Committee meeting held in Santa Fe, New Mexico on November 20, 2024, Chair Bryan Kelly raised the following question: What happens if the taxpayer signs a voluntary disclosure agreement but modifies it after it has been signed by the state, sends it to the state and the state thereafter declares it void because of the modification. The state now has the taxpayer's information. Can the state use it in pursuing enforcement activity against the taxpayer?

The Multistate Voluntary Disclosure Program Procedures ("Procedures"), which are published on the Commission's website, address this issue at Paragraph 6, which provides:

6. Disclosure of Taxpayer's Identity

> 6.1 The Commission shall take reasonable care to review of a taxpayer's application and other communications intended to be sent to a state to ensure that nothing therein identifies the applicant (except to the extent the taxpayer has given its written consent to that disclosure). However, under no circumstance shall the Commission be liable for failure to detect such information or for having made such application or communication available to a state. Ensuring that communications intended to be forwarded to a state be in a form appropriate for that state to see is the taxpayer's responsibility.
>
> 6.2 Neither the state nor the Commission shall use information acquired as a result of a taxpayer's participation in the MVDP to develop independent sources of information about the taxpayer for the purpose of discovering its identity except to confirm taxpayer representations made in the application or agreement. Neither the Commission nor a state shall attempt to learn the identity of a taxpayer in the MVDP except: (1) when the taxpayer voluntarily discloses it as a result of executing an agreement or otherwise; (2) in the course of governmental activity that does not use any information acquired as a result

> of the taxpayer's participation in the MVDP; or (3) to confirm taxpayer representations made in the application or agreement.
>
> 6.3 Except to the extent that the taxpayer consents otherwise in writing or the state is acting pursuant to Section 6.2(3), if a state learns the identity of a taxpayer before the agreement with that state is in effect, the state shall: (1) not make use of the identity; and (2) conduct itself as if the identity had not been disclosed.
>
> 6.4 A state may disclose the taxpayer's identity and related information if required to do so pursuant to an inter-government exchange of information agreement or by law.

Paragraph 10.3 of the Standard Agreement provides:

> 10.3. This Agreement may be signed in counterparts, each one of which is considered an original, and all of which constitute one and the same instrument. An electronically scanned and transmitted version (*e.g.*, PDF version) of an original signature, or a verifiable digital signature shall be considered a valid signature. No provision of this Agreement shall be waived or modified except in writing signed by all parties to this Agreement.

Paragraph 6.2(1) states that the state shall not attempt to learn the identity of the taxpayer except when the taxpayer voluntarily discloses it as a result of executing an agreement or otherwise. If the taxpayer has modified the state-signed agreement in connection with signing it and returning it to the state, that would appear to be a voluntary disclosure of identity to the state, and the state should be free to use that information for further enforcement activity. Standard Agreement Paragraph 10.3 states that neither party can modify the Agreement except in writing signed by all parties. If the taxpayer modifies the Agreement after the state has signed it, that attempted modification is therefore void. Of course, the modification needs to be a material one.

During the closed session of the Nexus Committee meeting on April 30, 2025 in Spokane, WA, it was suggested that notice of this interpretation should be published. It is recommended that the following example be added to Paragraph 6.2 in order to provide notice of this interpretation of Paragraph 6 of the Procedures:

Example: Taxpayer receives a state-signed agreement, modifies it by changing the lookback period start date to a date one year later, signs it and discloses the taxpayer's identity on the taxpayer signature page, then returns the document

to the state. The state does not agree to the taxpayer's modification of the lookback period start date and voids the agreement. The taxpayer's disclosure of identity in the agreement returned to the state would be considered voluntary, and the state could use that information to pursue enforcement activity against the taxpayer.

Attached for consideration by the Nexus Committee is a copy of the current Procedures, with this recommended addition to Paragraph 6.2.

Multistate Tax Commission
Multistate Voluntary Disclosure Program Procedures

1. Definitions

1.1 The "Multistate Voluntary Disclosure Program" ("MVDP") is part of the Multistate Tax Commission's ("Commission") National Nexus Program ("NNP") and consists of an agreement between the Commission and each participating state to encourage multistate taxpayer compliance. The MVDP provides a process by which a taxpayer that has not previously filed returns for taxes administered by a participating state can apply to one or more participating states through the MVDP to seek a voluntary disclosure agreement ("agreement") with the state to achieve tax-compliant status. In exchange for the taxpayer's compliance as provided in the agreement, the state will waive penalties (unless otherwise indicated in the agreement), back taxes owed for time periods prior to the state's lookback period, and interest on such back taxes. The state's lookback period includes past due tax filing periods for which the taxpayer must file returns and pay back taxes plus interest as part of the agreement. Each state determines its own lookback period. Collected but unremitted tax plus interest must be paid without regard to the lookback period and if the agreement provides, without waiver of penalties.

1.2 "State" refers to a state tax department of one of the fifty United States and includes the District of Columbia. A "participating state" refers to a state that, at the time it has entered into a voluntary disclosure agreement with a taxpayer, has entered into an agreement with the Commission to participate in the NNP and MVDP.

2. Role of the Commission

NNP staff are employees of the Commission and represent participating states when communicating with taxpayers concerning processing applications and completion of agreements under the MVDP.

3. Application Procedures

3.1 As of the latest revision date of this document, all participating states apply these procedures to applications submitted and agreements entered into under the MVDP except as set forth below:

3.1.1 The D.C. Office of Tax and Revenue participates in the MVDP, but applicants through the MVDP will also need to submit an online voluntary disclosure request to the

D.C. Office of Tax and Revenue on its website and proceed through its online voluntary disclosure program.

3.1.2 The Michigan Department of Treasury participates in the MVDP but prepares its own voluntary disclosure agreements, and applicants will need to adhere to its procedures in completing those.

3.1.3 The New Mexico Taxation and Revenue Department participates in the MVDP, but applicants will be required to participate in its managed audit program and adhere to its procedures.

3.1.4 South Carolina Department of Revenue participates in the MVDP but requires the applicant to disclose its identity prior to the Department agreeing to execute a voluntary disclosure agreement.

3.1.5 The Texas Comptroller participates in the MVDP but prepares its own voluntary disclosure agreements, and applicants will need to adhere to its procedures in completing those.

3.2 These procedures are specific to the MVDP and do not apply to a participating state's own independent voluntary disclosure program or applicable rules and policies.

3.3 Participating states acknowledge that taxpayers entering into agreements under the MVDP do so in reliance on these procedures.

4. Eligibility

4.1 A taxpayer may submit an application and participate in the MVDP unless it is ineligible, as describe in Paragraph 4.2. The participating state has the discretion and ultimate authority to accept or reject a taxpayer's application.

4.2 A taxpayer who has had prior contact with a participating state concerning a tax type is ineligible to participate in the MVDP with respect to that state and tax type. "Prior contact" includes at any time in the past registering, filing a tax return or making a tax payment with respect to that tax type and state, or receiving a contact (as defined in Section 12) from that state (including such contact by the Commission on behalf of that state). If a state contact does not specify a specific tax type, it is construed to be with respect to all tax types.[1]

4.3 A taxpayer who would be ineligible to participate in the MVDP due to prior contact with a state but who believes special circumstances may apply should provide a detailed explanation of the prior contact and special circumstances in the application (including why, when, the results, etc.). NNP staff may then inquire of that state whether it would consider the application and inform the taxpayer of the results of the inquiry.

5. Anonymity and Disclosure

5.1 A taxpayer may, but need not, be anonymous to the Commission during the MVDP process up until execution of the agreement. Taxpayers wishing to remain anonymous to the Commission may apply through a representative such as an attorney or tax advisor. A taxpayer choosing to remain anonymous must provide the Commission in the application taxpayer or representative contact information, including taxpayer or representative name, telephone number, e-mail address, U.S. Postal Service address, and street address.

---

[1] A state contact with Texas may at the state's option be construed to be with respect to any tax type, without regard to whether that tax type is included in an enumeration of tax types accompanying the contact. For example, Texas may interpret a communication to a taxpayer that references only corporate franchise tax to also include sales and use tax.

5.2 In the event the Commission knows the taxpayer's identity, it shall not knowingly release it to any other party under any circumstances except: (1) to a state after an agreement with that state has been signed by the taxpayer; (2) to any other party with the taxpayer's written consent; or (3) by order of a court of competent jurisdiction.

5.3 Participating states agree not to require, whether by court order or otherwise, that the Commission release a taxpayer's identity except: (1) to a state after an agreement with that state has been signed by the taxpayer; or (2) to any other party with the taxpayer's written consent.

6. Disclosure of Taxpayer's Identity

6.1 The Commission shall take reasonable care to review of a taxpayer's application and other communications intended to be sent to a state to ensure that nothing therein identifies the applicant (except to the extent the taxpayer has given its written consent to that disclosure). However, under no circumstance shall the Commission be liable for failure to detect such information or for having made such application or communication available to a state. Ensuring that communications intended to be forwarded to a state be in a form appropriate for that state to see is the taxpayer's responsibility.

6.2 Neither the state nor the Commission shall use information acquired as a result of a taxpayer's participation in the MVDP to develop independent sources of information about the taxpayer for the purpose of discovering its identity except to confirm taxpayer representations made in the application or agreement. Neither the Commission nor a state shall attempt to learn the identity of a taxpayer in the MVDP except: (1) when the taxpayer voluntarily discloses it as a result of executing an agreement or otherwise; (2) in the course of governmental activity that does not use any information acquired as a result of the taxpayer's participation in the MVDP; or (3) to confirm taxpayer representations made in the application or agreement.

Example: Taxpayer receives a state-signed agreement, modifies it by changing the lookback period start date to a date one year later, signs it and discloses the taxpayer's identity on the taxpayer signature page, then returns the document to the state. The state does not agree to the taxpayer's modification of the lookback period start date and voids the agreement. The taxpayer's disclosure of identity in the agreement returned to the state would be considered voluntary, and the state could use that information to pursue enforcement activity against the taxpayer.

6.3 Except to the extent that the taxpayer consents otherwise in writing or the state is acting pursuant to Section 6.2(3), if a state learns the identity of a taxpayer before the agreement with that state is in effect, the state shall: (1) not make use of the identity; and (2) conduct itself as if the identity had not been disclosed.

6.4 A state may disclose the taxpayer's identity and related information if required to do so pursuant to an inter-government exchange of information agreement or by law.

7. Opening a Voluntary Disclosure Case (see Subsection 16.6 and 16.7 definitions of "file" and "case")

7.1 A voluntary disclosure case with respect to a taxpayer, state and a tax type is considered opened when the Commission receives a properly completed application electronically submitted to the Commission using the link provided on the Commission's website.

7.2 Having an open case means that the taxpayer is protected from discovery (as defined in Section 12.1) as to the participating states applied to beginning 12:01 AM (Eastern time) on the calendar day following the Commission's receipt of the electronically submitted application and ending on the calendar day following expiration of a time limit (deadline) as set forth in Section 13.

8. Mistaken Filing or Payment to State
If a state receives agreements, returns or payments intended for another state and sent by mistake, the state shall return the mistakenly sent items to the sender.

9. Mistaken Filing or Payment to Commission
If the Commission receives notice that it mistakenly received a return, filing, or payment, the Commission shall at the applicant's option either return, destroy, or retain for future use the mistaken return, filing or payment.

10. Withdrawal

10.1 A taxpayer may withdraw an application to a state without prejudice at any time before the state receives the taxpayer-signed agreement, return, or payment to that state. The taxpayer will be required to submit a new electronic application if the taxpayer later decides to re-apply.

10.2 An application withdrawal requested by a taxpayer shall be in writing to Commission staff and shall identify the states from which withdrawal is sought.

10.3 Protection from discovery under Section 11 ceases at 12:01 AM (Eastern time) on the calendar day immediately following withdrawal.

11. Protection from Discovery

11.1 Protection from discovery means that, upon receipt of a properly completed and electronically submitted application, the Commission and the participating state applied to shall suspend with respect to an eligible taxpayer (see Section 4.2) so protected, all inquiry and other enforcement activity (except criminal enforcement activity), with respect to that taxpayer's non-filer status and the tax type it seeks to voluntarily disclose, pending that taxpayer's timely completion of an agreement in accordance with Section 13 or an extension granted by the state or the Commission.

11.2 Provided that the state (or the Commission on behalf of the state) has not already contacted (see Section 12.1 definition of "state contact") the taxpayer, it is protected from discovery in a state with respect to a tax type beginning at 12:01 AM (Eastern time) on the calendar day following the day that the Commission receives from the taxpayer a properly completed and electronically submitted application for voluntary disclosure to that state for that tax type pursuant to Section 7.1.

11.3 Protection from discovery ends at 12:01 AM (Eastern time) on the day following the last day available to a taxpayer to meet a deadline as set forth in Section 13 or an extension granted by the state or the Commission.

12. State Contact While Protected From Discovery

12.1 "State contact" means any communication with respect to a tax type from state personnel to a person with respect to that person's actual or potential tax obligation in that state with respect to that tax type. Examples of a state contact include but are not limited to: a telephone call or correspondence from a state revenue official, a nexus questionnaire mailed or e-mailed to the taxpayer, and a notice of audit or assessment.[2] A state contact is deemed received when e-mailed, mailed or sent. If a state contact dos not specify a specific tax type, it is construed to be with respect to all tax types.[3]

12.2 For purposes of Section 12.1, "person" means either a natural person or entity. With regard to a state whose laws allow for unitary, combined, or consolidated filing of returns, all constituent entities of a unitary or combined group, a group filing on a consolidated basis, or a group otherwise affiliated, are a single person for purposes of Section 12.1 without regard to whether the state was aware of the existence of such entity or of its relationship to its constituent entities.

12.3 A taxpayer contacted by a state with respect to which the taxpayer is protected from discovery may assert its protection from discovery by doing all of the following: (1) inform the Commission of the state contact, including the name and contact information of the state person who made the state contact and a copy of any writing that was part of the state contact; and (2) provide the Commission this, or a similar written statement: "MTC 000000 gives the Commission permission to disclose its identity to the state of [state name] for the purpose of protection from discovery as described by the Multistate Tax Commission Multistate Voluntary Disclosure Program Procedures."

12.4 Upon proper notice, the Commission shall timely inform the state that the taxpayer has submitted an application under the MVDP to that state and the tax type(s) and the state shall suspend its inquiry or other compliance-related activity pending the taxpayer's timely completion of an agreement or timely withdrawal of the application under the MVDP.

12.5 If a taxpayer fails to meet a time deadline of the MVDP process after contact by the state, then protection from discovery shall cease and the state may continue its state contact, inquiry, or compliance-related action. The state should advise the Commission whether it is willing to further consider the MVDP application and the taxpayer should advise the Commission whether it wishes to continue the MVDP application. If either the taxpayer or the state chooses not to continue, the Commission shall close the case for that state.

13. Time Limits: Taxpayer

[2] Texas extends this policy to exclude from eligibility those whose nexus to the state is being investigated by the state but who have not yet been contacted. Such persons will ordinarily not know of their ineligibility before they apply.

[3] A state contact with Texas may at the state's option be construed to be with respect to any tax type, without regard to whether that tax type is included in an enumeration of tax types accompanying the contact. For example, Texas may interpret a communication to a taxpayer that reference only corporate franchise tax to also include sales and use tax.

13.1 The following time limits (deadlines) apply to the taxpayer for the purpose of determining whether the taxpayer is protected from discovery. Except to the extent that the Commission or state grants a written extension, failure to meet a time limit shall suspend the taxpayer's protection from discovery until the action in question is completed and, in some cases as noted, result in closure of the file.

13.1.1 The Commission opens a file (see Section 7) upon receipt of a properly completed and submitted electronic application.

13.1.2 Taxpayer has 28 days from receiving the standard agreement form from the Commission until taxpayer responds to the standard agreement form by either approving or requesting changes. Once approval is received, the Commission will prepare the draft agreement and send it to the indicated states along with the taxpayer's redacted application.

13.1.3 Taxpayer has 28 days to respond to a state counter-offer to the draft agreement. Taxpayer has 28 days to respond to each subsequent counter-offer.

13.1.4 Taxpayer has 14 days to respond to a request for information from a state or the Commission. Taxpayer has 14 days to respond to each subsequent request.

13.1.5 Taxpayer has 60 days from receipt of a state-signed agreement until the taxpayer sends to the state pursuant to instructions provided by the Commission the taxpayer-signed agreement together with all required completed registration forms, filings, returns and payment.

13.1.6 Notwithstanding the requirement of Section 13.1.5, an agreement signed by a state shall remain a valid offer to the taxpayer for the period of time stated in the state-signed agreement or, if no period is stated, 90 days from the day it was e-mailed, mailed or sent to the taxpayer or its representative. It may be returned to the state signed by the taxpayer at any time within that period together with all required completed registration forms, filings, returns and payments, after which time it shall be void, unless the Commission or state issues an extension in writing.

13.2 The Commission may at is option close the file of a taxpayer at any time 90 days or more after the taxpayer loses and fails to regain protection from discovery. Closing the file means that the taxpayer must submit a new electronic application online if it wishes to pursue the MVDP.

13.3 Except when the Commission closes a taxpayer's file due to inactivity for 90 or more days after loss of protection from discovery, the Commission will normally refer requests for extension to the state, but may, without specific state authorization, grant one or more short extensions of time to a taxpayer upon demonstration of extreme hardship that the taxpayer could not have reasonably prevented.

14. Time Limits: State

14.1 Taxpayers should bring any time requirements to the attention of Commission staff, who will do their best to accommodate taxpayer needs by arranging faster Commission processing and requesting the states to do likewise.

14.2 The state will endeavor to adhere to the following time limits.

14.2.1 The state has 42 days from receipt of draft contract until it sends its response to the Commission.

14.2.2 The state has 42 days to respond to a counter-offer.

14.2.3 The state has 42 days to send bill for interest to taxpayer.

15. Time Limits: Commission

15.1 Taxpayers should bring any time requirements to the attention of Commission staff, who will do their best to accommodate taxpayer needs by arranging faster Commission processing and requesting the states to do likewise.

15.2 The Commission shall endeavor to adhere to the following time limits.

15.2.1 Commission has 7 days from receipt of application for voluntary disclosure to send standard agreement form to taxpayer.

15.2.2 Commission has 7 days from receipt of taxpayer's approval of standard agreement form to send draft agreement and application to state.

15.2.3 Commission has 2 business days to forward requests for information, counter-offers, and other communications.

15.2.4 Commission has 7 days to forward state-signed agreement to taxpayer.

15.2.5 Commission has 7 days to forward taxpayer-signed agreement, returns and payments to state.

16. Miscellaneous Procedures

16.1 Days are calendar days unless the text clearly states otherwise.

16.2 A time limit (deadline) falling on a federal holiday or a weekend shall be extended to the next business day.

16.3 Days are counted using the first day to be counted as the calendar day immediately after the day in which the initiating action took place.

16.4 A filing or document mailed via U.S. mail or sent via delivery service by a taxpayer shall be construed to have been received by a state or by the Commission on the date of actual receipt, without regard to its postmark and the date it was mailed or sent.

16.5 No return, filing, or payment that was returned to the sender shall count with respect to any time deadline of these procedures.

16.6 “File” means the total number of state cases existing with respect to an application. It is assigned a six-digit file number in the format MTC 000000.

16.7 “Case” means that subset of a file that applies to only one state and one taxpayer, e.g., for a North Dakota case: MTC 000000 ND.

16.8 The MVDP process is complete with respect to a state when that state and the taxpayer have each signed the agreement and the state has received all tax returns (or spreadsheets for sales/use tax if acceptable to the state), payments and other required documents due under the agreement, including but not limited to any interest or other amounts that the state billed in accordance with the agreement.

17. Electronic Communications

17.1 Communications by fax machine, electronic mail (e-mail), and similar technological means shall count as written communications for purposes of these procedures.

17.2 Agreements may be signed in counterparts, each one of which is considered an original, and all of which constitute one and the same instrument. An electronically scanned and transmitted version (e.g., PDF version) of an original signature, or a verifiable digital signature shall be considered a valid signature.

17.3 The Commission may communicate with states and taxpayers through the internet, including the world-wide web and electronic mail. However, unless authorized in writing by the taxpayer or adequate encryption or reasonable safeguards are used, neither the Commission nor a state shall transfer over the internet in a manner susceptible of interception by an unauthorized person any confidential taxpayer information