



To: Executive Committee
From: Gregory S. Matson
Date: November 20, 2025
Subject: Report of the Executive Director

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

I. Programs & Activities

A. Joint Audit Program

The Joint Audit Program completed 1 income tax audit and parts of 7 other income tax audits and parts of 3 sales tax audits during the first quarter of fiscal year 2026. Currently, there are 14 income tax audits and 19 sales tax audits in progress.

During the first quarter, the income tax program proposed net assessments of \$14,643,938 for completed and partially completed income tax audits. Income tax program staff also proposed NOL and tax credit reductions of \$1,489,643. The sales tax program proposed net assessments of \$202,002 for partially completed sales tax audits.

The Audit Committee met once during the fiscal year on July 21, 2025, in Salt Lake City, Utah. During the meeting, the committee received an update on the progress of open audits and a SALT case update from MTC legal staff.

B. National Nexus Program

The National Nexus Program results for the first quarter of FY 2026 are provided in the following table:

	1Q FY 2026	Previous FY (2025) Totals
Collections	\$12,533,376	\$29,083,242
Executed Agreements	86	498
Average Contract Value per State	\$145,969	\$58,400

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

C. Legal Staff

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.

Counsel Jonathan White hosted a series of webinars on August 22 and 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.

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 attended the presentation.

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 reporting period, legal staff provided litigation support and legal advice to the following states:

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

Support for the Commission's Programs and Projects

Legal staff support the 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.

Legislative Tracking and Newsletter

Legal staff tracks 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.

Advisory Boards & Publications

Commission Counsel Lila Disque serves on Law360's State & Local Tax Editorial Advisory Board. 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 Operations Officer and Counsel, 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.

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

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

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 and utilize the new virtual learning platform (LMS) with increased capabilities and options.

The new Learning Management System was launched with three initial longform courses —

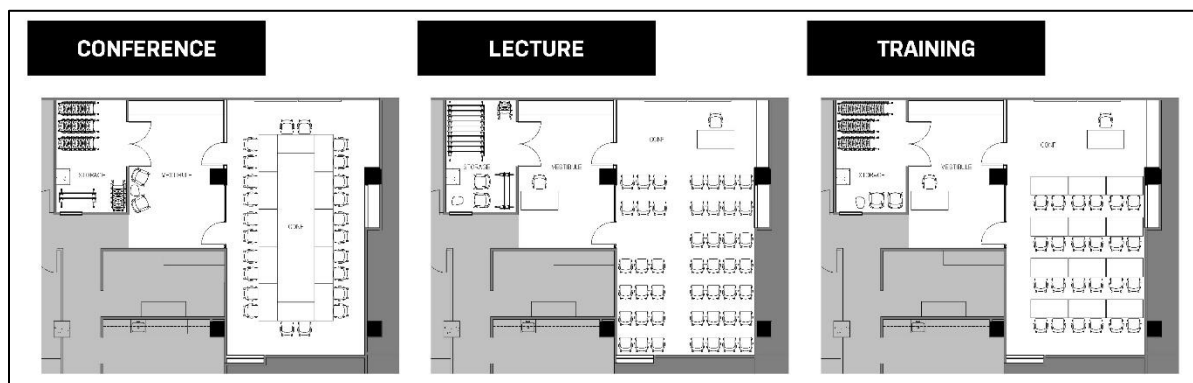
- Federal Partnership Taxation: Basics for State Tax Administrators
- Introduction to Corporate Income Tax
- Market Based Sourcing

The new platform — found at <https://learning.mtc.gov/> — has several features that will modernize the MTC’s training offerings. Users can now enroll themselves into courses and make payment directly on the platform. We also now have the flexibility to provide courses in almost any format.

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

In July, a project to convert available office space in the MTC office into a training center for in-person, livestreamed, and recorded content for the LMS began. Funding for these renovations and furniture came from the tenant improvement allowance built into the most recent lease renewal. The new “Joe Huddleston Training Center” was completed in October.





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

III. Outside Presentations & Events

The executive director serves on the Hartman State and Local Tax Forum advisory board, the New England State and Local Tax Forum advisory board, and New York University's State and Local Tax Institute advisory board.

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

JULY 2025

- Moss Adams, Tax Services Group Conference; *on everything* (White, presenter); Bellevue, Washington

AUGUST 2025

- Northeastern States Tax Officials Association Conference; *The Impact of OBBBA on State and Local Taxes* (Disque, presenter), *Current Issues: P.L. 86-272 and Economic Presence* (Hamer, presenter); Philadelphia, Pennsylvania (Matson, attendee)
- NCSL Legislative Summit; Boston, Massachusetts (Hamer, attendee)

SEPTEMBER 2025

- Kansas Bar Association Lawlawpalooza 2025; *PL 119-21—A State Perspective*; (Disque, presenter); online
- Midwestern States Association of Tax Administrators Conference; *Impact of Federal Tax Changes on SALT* (Barber, presenter); Oklahoma City, Oklahoma (Matson, attendee)
- COST's 56th Annual Meeting; *A Multi-Stakeholder Perspective from Other SALT Organizations* (Matson, panelist); Memphis, Tennessee
- Taxpayers Federation of Illinois State & Local Tax Conference; *Agreement & Disagreement* (Hamer, presenter); Rolling Meadows, Illinois
CPAacademy Webinar, *Nexus Basics and the MTC Multistate Voluntary Disclosure Program* (Cram, presenter); online (rebroadcast in October)
- 2025 FTA Revenue Estimation and Tax 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

- CPAacademy Webinar, *Mastering Multistate Sales and Use Tax Compliance: Navigating New Collection Law* (Cram, presenter); online (will be rebroadcast in December)
- 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, presenter); Nashville, Tennessee (Merrien, attendee)
- Western States Association of Tax Administrators Conference; *The Impact of OBBBA on State and Local Taxes* (Hecht, presenter); Albuquerque, New Mexico (Coon, attendee)