



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

EXECUTIVE COMMITTEE TASK FORCE ON STATE AND LOCAL TAXATION

TASK FORCE MEETING

NOVEMBER 21-22, 2014

THE FAIRMONT PRINCESS HOTEL

PALOMINO 2-3

SCOTTSDALE, ARIZONA

Friday, November 21

11:30 a.m. – 12:45 p.m. Luncheon Session: Prognosis for the Marketplace Fairness Act

McDowell A & B

(Joint with the NCSL Fiscal Leaders Seminar)

**Lunch Provided only to Task Force Members*

Due to a 1992 Supreme Court decision, states have been unable to collect taxes they are owed on remote sales and, as a result, are losing billions of dollars each year. The Marketplace Fairness Act, which remedies this problem, overwhelmingly passed the United States Senate in May of last year but has failed to receive consideration in the House of Representatives. This discussion will provide an overview of the remote sales tax collection issue and provide insight on the probability it passes before the end of the year.

Panelists:

- Leslie Fox, International Council of Shopping Centers
- Max Behlke, NCSL

1:00 – 5:00 p.m.

Task Force Meets

PALOMINO 2-3

1:00 – 1:05 p.m.

Welcome

Introduction of Task Force members and meeting attendees.

Chairs:

- Senator Pam Althoff, Illinois
- Representative Chris Perone, Connecticut
- Delegate Sheila Hixson, Maryland

1:05 – 2:00 p.m.

Taxation of Electronic Cigarettes

The recent advent of electronic cigarettes, or vapor products, has raised questions across the country, that is, whether to tax them under the general sales tax, tax them as normal tobacco products, or somewhere in between. This session will delve into what is happening in this burgeoning industry and considerations for how it should be taxed.

Panelists:

- Greg Conley, President, American Vaping Association
- Mike Komashka, RAI Services Company

2:00 – 2:45 p.m.

The Regulation of Tax Preparers

Several states, as well as the federal government, have recently considered imposing testing and education requirements on tax preparers. However, concerns have been raised on the scope of the regulations and if they would even yield a higher level of accuracy on the returns. This discussion will provide background on the issue and what states stand to gain or lose by regulating the tax preparing industry.

Panelists:

- Andrew Jennison, H&R Block
- Edward S. Karl, AICPA

2:45 – 3:30 p.m.

Property Taxation Administration

Taxpayers and tax administrators agree that taxes should be administered efficiently, fairly, and without undue administrative burdens. Unfortunately, this is not always the case. This session will discuss how property tax is administered and provide perspectives on what states can consider to improve how the tax is remitted and collected.

Panelists:

- Scott Roberti, General Electric
- Fred Nicely, Council on State Taxation
- Joe Mulchay, Ryan, LLC

3:30 – 4:00 p.m.

Property Taxation of Communications Infrastructure

At the Anchorage meeting in May, the task force heard a presentation from the communications industry about the need to modernize property taxes on communications property in some states. In August, at the Minneapolis meeting, the task force created a workgroup to begin working on document that states can review if they plan to consider updating how they tax communications infrastructure. This session will provide an update of the working group and next steps.

Panelists:

- Scott Mackey, KSE Partners
- Deborah Bierbaum, AT&T
- Ellen Berneholz, Comcast

4:00 – 5:00 p.m.

Film Tax Incentives

The issue of providing film tax incentives, or credits, to lure the industry has been a hot topic in state legislatures across the country in recent years. Proponents claim that the incentives create jobs and boost the economies of states and localities while opponents counter that the incentives never achieve their return on investment. This session will provide background on film tax incentives and the efficacy of providing them.

Panelists:

- Joe Chianese, EP Financial Solutions
- Joe Henchman, Tax Foundation

- Pat Swinney Kaufman, Former Executive Director, New York State Governor's Office for Motion Picture and Television Development and Deputy Commissioner of Empire State Development.
- David Haddad, Owner, Haddad's
- Joe Kristan, Roth & Company

6:00 – 9:00 p.m. Task Force Reception/Dinner

The reception and dinner will be held on the outdoor patio of the the La Hacienda restaurant at the Fairmont hotel.

**This event is reserved for Task Force members and sponsors.

Saturday, November 22

8:00 a.m. – Noon Task Force Meets

PALOMINO 2-3

7:00 – 8:15 a.m. Breakfast

PALOMINO 1

8:30 – 9:00 a.m. Between a Rock and a Hard Place—Class Action versus Qui Tam

This session will include a discussion of how consumer protection, unfair trade practice, and qui tam statutes are being used to override and distort state tax policy, and efforts to develop a solution.

Panelists:

- Steve Kranz, McDermott, Will & Emery
- Deborah Bierbaum, AT&T

9:00 – 9:30 a.m. Marketplace Fairness Act

Update and discussion of the Marketplace Fairness Act in Congress which would enable states to collect the sales and use taxes that are owed on remote transactions. There will also be discussion on implementation of the federal bill should it pass Congress in its current form.

Panelists:

- Max Behlke, NCSL
- Leslie Fox, International Council of Shopping Centers

9:30 – 10:00 a.m. Automated Sales Tax Collection

Recently, the task force reviewed the issue of collecting sales taxes through a patented methodology and raised concerns over the practice. This session, however, will examine a different approach of using technology to automate sales tax collection for the benefit of taxpayers and tax administrators.

Panelists:

- John Gibson, IDMTS
- Chuck Wessman, IDMTS

10:00 – 10:45 a.m.

Define “Normal”. Its even harder in Tax Expenditures.

The Congressional Budget Act states that tax expenditures should be determined based off the federal government’s “normal income tax law.” Without any direction, the definition on what is “normal” can be open for interpretation. The panel will look to provide clarity on how to understand the baseline for state tax expenditures.

Panelists:

- Joe Crosby, Multistate Associates
- Bob Zahradnik, PEW

10:45 – 11:30 a.m.

Sales Taxation on Business Inputs

Panelists:

- Liz Malm, Tax Foundation
- Fred Nicely, Council on State Taxation

11:30 a.m. – Noon

Election Results and Tax Reform

The result of the November election changed the make up of Congress and state legislatures across the country and will no doubt impact policy decisions in 2015. This session will examine how the election will impact tax policy, particularly tax reform, in states and in Congress when they gavel in in January.

Panelists:

- Joe Crosby, MultiState Associates
- Maureen Riehl, Council on State Taxation

THE NEXT MEETING
OF THE
STATE AND LOCAL TAXATION TASK FORCE
WILL BE HELD IN CONJUNCTION WITH THE
WINTER NCSL EXECUTIVE COMMITTEE MEETING
IN
NEW ORLEANS, LOUISIANA
JANUARY 9, 2015