



Meeting of the National Conference of State Legislatures'  
**EXECUTIVE COMMITTEE TASK FORCE ON STATE AND LOCAL TAXATION**

January 8, 2016

Hilton Salt Lake City Center Hotel  
Salt Lake City, Utah

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**Friday, January 8<sup>th</sup>**

All Task Force sessions will take place in the Granite Conference Center on the Lobby Level.

**7:00 – 7:55 a.m.**

**Breakfast**

Breakfast for Task Force members and members of the Executive Committee.

**Location:** Grand Ballroom A, 2nd floor

**8:00 – 8:15 a.m.**

**Welcome**

Overview of the Task Force meeting and attendee introductions.

**Co-Chairs**

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

**8:15 – 9:00 a.m.**

**Task Force Roundtable/Business Meeting**

This roundtable discussion among task force members will focus on the important taxation issues expected in the states in 2016 and will provide a forum for new task force members to introduce themselves. There will also be discussion on the “Principles for the Taxation of Business Personal Property” that was distributed at the Miami Task Force meeting.

**Co-Chair Moderators**

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

**9:00 – 9:15 a.m.**

**Remote Sales Tax Collection in Congress**

Update and discussion of remote sales tax collection legislation in Congress, which would enable states to collect the sales and use taxes that are owed on remote transactions.

**Panelists**

- Neal Osten, National Conference of State Legislatures (NCSL)
- Joe Rinzel, Retail Industry Leaders Association (RILA)



9:15 – 9:45 a.m.

### **State Implications of a Permanent Internet Tax Freedom Act**

When congress reconvenes in 2016, the Senate is expected to consider the Permanent Internet Tax Freedom Act (PITFA), which passed the House as part of a customs bill in December. Michael Mazerov, from the Center on Budget and Policy Priorities, will discuss the potential amount of revenue losses state and local governments could incur if the federal government enacts a permanent moratorium of state and local taxation of internet access, the implications for local telecommunications taxes, and the adequacy of existing ITFA protections for Internet voice and video services.

#### **Panelist**

- Michael Mazerov, Center on Budget and Policy Priorities

9:45 – 10:45 a.m.

### **Is *Quill* Dead? If Not, Can States Kill It?**

In 2015, Supreme Court Justice Kennedy invited the states to challenge *Quill*; the Washington state legislature considered a proposal that affirmatively stated *Quill* was no longer good law; Alabama adopted a regulation requiring large remote sellers to collect tax as of 1/1/16 notwithstanding *Quill*; and many other states engaged in significant discussion regarding how they can level the playing field for retailers and states in light of continued Congressional inaction.

As legislatures plan for 2016, what issues are legislatures considering as they seek to support a level playing field? What are the potential statutory pitfalls that legislatures can address to best position a case for Supreme Court review? Hear from the nation's foremost law firm focused on Supreme Court litigation.

#### **Panelist**

- Eric Citron, Goldstein Russell

10:45 a.m. – Noon

### **Task Force Roundtable: State Efforts to Collect Sales Taxes**

This roundtable discussion among task force members will focus on the policy proposals that states are considering to collect owed sales taxes from remote purchases.

#### **Co-Chair Moderators**

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

Noon – 1:00 p.m.

### **Lunch**

Lunch for Task Force members and members of the Executive Committee.

**Location:** Grand Ballroom A, 2nd floor



1:00 – 1:30 p.m.

### **Business Advisory Council Update**

Members of the Business Advisory Council will discuss issues they would like to see all states who impose sales taxes to address. Issues include the uniform use of power of attorney, clear authority for revenue agencies to provide liability relief on tax information provided to the public, allowing sellers to initiate collection of tax as soon as possible when engaged in a state's voluntary disclosure program, address post-transaction return issues, uniformly provide credits for sales and use taxes paid to other states, and uniformly source digital goods.

#### **Panelists**

- Fred Nicely, Council on State Taxation (COST)
- Charles Collins, ADP
- Scott Peterson, Avalara

1:30 – 2:15 p.m.

### **Evaluating Tax Incentives**

States are gradually turning to evaluations to understand the impacts of their tax incentive programs. This session will outline questions to ask and other concepts legislators should know as consumers of these evaluations.

#### **Panelist**

- Julie Srey, The Pew Charitable Trusts

2:15 – 2:45 p.m.

### **Defining the Normal Tax Base for Use in Tax Expenditure Reports**

At the last task force meeting in Miami, the task force was provided a draft document that discusses how to define the “normal tax base” as it relates to tax expenditure reports and budgets. Liz Malm, economist at Multistate Associates, will discuss the concepts raised in the document and the task force will discuss the considerations the document raises.

#### **Panelist**

- Liz Malm, Multistate Associates

2:45 – 3:15 p.m.

### **The Future of 911 Funding at the State and Local Level**

Several states and localities are considering expanding 911 fees on telephone users to fund upgrades to their 911 systems. At the same time, changes in communications technologies have imposed new challenges for states and localities to impose 911 fees on users of new types of communications services. An FCC working group, which did not include any state legislators, recently recommended in a draft report that states impose a new tax on Internet Access to fund 911 programs. There have also been suggestions that states eliminate 911 fees altogether and fund their emergency response systems from broad-based, general fund revenue sources. This session will delve into the future of 911 funding and the options for states to consider.

#### **Panelists**

- Scott Mackey, KSE Partners
- Kathleen Kittrick, Verizon



3:15 – 3:45 p.m.

### Taxation in the On-Demand Economy

The rules for taxation of delivery charges are complicated and may be impeding entrepreneurial solutions to consumer demand for convenience and service. Steve Kranz, of McDermott, Will and Emery, will discuss a recently published white paper on taxing the delivery of things in this new world where you can have anything delivered at anytime.

#### Panelist

- Steve Kranz, McDermott, Will and Emery

3:45 – 4:15 p.m.

### Taxes and Gambling: An Overview

Recent developments in intrastate online gaming and the proliferation of gambling across the country have led to changes in how taxes are collected in the gambling arena. This session will provide an overview of how taxes are imposed and collected in gaming across the country.

#### Panelist

- Sarah Rayme, American Gaming Association

4:15 – 5:00 p.m.

### Fantasy Sports Betting: Taxable?

In recent years, the popularity of fantasy sport leagues has exploded, especially in the arena of Daily Fantasy Sports (DFS), which has a similar format to season long contests but allows contests to take place in a single day. As states debate the legality of the leagues, a question remains of whether or not all applicable taxes are being paid. This session will discuss the taxation of DFS and will discuss issues states should consider in the arena.

#### Panelists

- Assemblywoman Irene Bustamante-Adams, Nevada
- Max Behlke, National Conference of State Legislatures (NCSL)
- Jeff Hurley, National Conference of State Legislatures (NCSL)



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6:00 – 6:30 p.m.

### Executive Committee Reception

Opening reception of the Executive Committee.

**Location:** Trofi Restaurant, Street Level

6:30 – 7:00 p.m.

### Transportation to Task Force Dinner

7:00 – 9:00 p.m.

### Task Force Dinner

The Task Force dinner will take place at the historic Log Haven restaurant. Transportation will be provided.

**Location:** 6451 E. Millcreek Canyon Road  
Salt Lake City, Utah

(Approximately a 25 minute bus ride from the Hilton)

*\*\*Reception and Dinner are for Task Force Members, Sponsors, and Invited Guests Only\*\**



NCSL Task Force on State and Local Taxation's Homepage:

<http://www.ncsl.org/ncsl-in-dc/task-forces/task-force-on-state-and-local-taxation.aspx>