



**EXECUTIVE COMMITTEE TASK FORCE ON STATE AND LOCAL TAXATION**

**TASK FORCE MEETING  
AUGUST 18-19, 2014**

**HILTON MINNEAPOLIS  
MINNEAPOLIS, MINNESOTA**

**AGENDA**

**Monday, August 18**

**Hilton Minneapolis Level 3-  
Grand Ballroom E**

**1:00 – 5:00 pm            Task Force Meets**

**1:00 – 1:05 pm            Welcome**

- Sen. Pam Althoff, Illinois, Co-Chair
- Del. Sheila Hixson, Co-Chair

**1:05 – 1:30 pm            Federal Update**

- **Tax Extenders**
- **Digital Goods and Services Tax Fairness Act**
- **Internet Tax Freedom Act**
- **Tax and Fee Collection Fairness Act**

**1:30 – 2:15 pm            Marketplace Fairness Act**

Update and discussion of the Marketplace Fairness Act in Congress which would enable states the ability to collect the sales and use taxes they are owed on remote transactions.

**Panelists:**

- Max Behlke, NCSL
- Joe Rinzel, Retail Industry Leaders Association (RILA)
- Leslie Fox, International Council of Shopping Centers (ICSC)

**Streamlined Sales Tax Governing Board**

**Panelists:**

- Craig Johnson, Streamlined Sales Tax
- Diane Hardt, President, Streamlined Sales Tax Governing Board
- Senator Deb Peters, Vice President, Streamlined Sales Tax Governing Board

**2:15 – 2:45 pm            Multistate Tax Commission Update**

**Panelists:**

- Steve Kranz, McDermott, Will, Emery LLP
- Commissioner Bruce Johnson, Utah Tax Commission

2:45 – 3:45 pm

**Demystifying the States' Apportionment of Corporate Income & the Ramifications of Alternative Apportionment**

This session will explain the basics of how states apportion multijurisdictional corporate income. The panel will explain the use of payroll, property and sales to apportion a business's income along with noting the different ways the states treat sales of tangible personal property and services in their apportionment formulas. The panel will also discuss the ability of a tax agency and a taxpayer to seek the use alternative apportionment from the statutorily prescribed formula, including cases and efforts by the MTC to provide greater uniformity in this area.

**Panelists:**

- Fred Nicely, Council on State Taxation (COST)
- Todd Lard, Sutherland
- Ellen Berenholz, Comcast
- Commissioner Bruce Johnson, Utah State Tax Commission

3:45 – 4:45 pm

**MTC Audit Process: How do MTC Audits Actually Work?**

**Panelists:**

- Joel Waterfield, Grant Thornton, LLP

4:45 – 5:15 pm

**Tax Expenditure Reports**

The primary goal of state tax expenditure reports (or budgets) is to provide information to the public and policymakers about preferential tax provisions that reduce overall tax revenue. Proponents of these reports laud them as a critical tool to understand and improve state tax systems. Critics contend, however, that state tax expenditure reports provide inaccurate and misleading information, particularly with regard to business taxes. This roundtable will continue the discussion of the Task Force's Tax Expenditure Report Working Group that has worked on developing principles for states to consider for their tax expenditure reports.

**Moderator:**

- Representative Jay Kaufman, Massachusetts

7:00 – 9:30 pm

**Task Force Reception/Dinner**

**Seven Steakhouse, Sushi Ultralounge & Skybar**  
**700 Hennepin Avenue, Minneapolis (2nd Floor)**  
*(1/2 mile from Hotel)*

*For Task Force Members and Task Force Sponsors*

**Tuesday, August 19**

**Hilton Minneapolis Level 3 -  
Grand Ballroom E**

8:00 am – noon

**Task Force Meets**

7:00 – 7:55 am

**Breakfast**

8:00 – 8:30 am

**Business Meeting**

- Sen. Pam Althoff, Illinois, Co-Chair
- Del. Sheila Hixson, Co-Chair

8:30 – 9:30 am

**Property Taxes on Communications Network Infrastructure:  
A Primer for State Legislators**

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. Some task force members have expressed interest in reviewing this issue on more detail, perhaps through a Task Force subcommittee that would produce a short primer for Legislatures on the issue. This draft outline suggests what might be included in such a primer as a basis for the task force to consider whether to move forward with this project.

**Panelists:**

- Deborah Bierbaum, AT&T
- Scott Mackey, KSE Partners

9:30 – 10:15 am

**State Insurance Taxation**

This panel presentation will provide an overview of state insurance taxation, including how premium and retaliatory taxes operate, as well as how they interact with the imposition of corporate income taxes. The discussion will also include a brief history of how the industry became subject to this unique taxing regime.

**Panelists:**

- Bob Montellione, Prudential
- Jim Williams, Mass Mutual
- Jim Hall, ACLI

10:15 – 11:00 am

**Facilitating Rapid Response to Disasters Act Lessons Learned**

Since endorsement by the Executive Committee Task Force on State and Local Taxation of the Facilitating Rapid Response to Disaster Act eleven states have enacted the model into statute. The panelist will provide a status report of activity in the states and discuss lessons learned and modifications that were made in order to secure enactment.

**Panelists:**

- Senator Wayne Harper
- Commissioner Bruce Johnson, Utah Tax Commission
- Deborah Bierbaum, AT&T

11:00 – noon

**Taxation Issues in the Shared Economy: Airbnb**

Few people involved in the sharing economy know what taxes they're supposed to pay, nor how to pay them. Because the rules are unclear, enforcement of existing laws has been difficult for states and localities. This session will examine the shared economy, specifically Airbnb, and the emerging taxation issues that have arisen due to their business model.

**Panelists:**

- Steve Shur, President, Travel Technology Association
- Craig Kalkut, American Hotel and Lodging Association (AHLA)

THE NEXT MEETING OF THE STATE AND LOCAL TAXATION TASK FORCE WILL BE HELD IN CONJUNCTION WITH THE STATE GOVERNMENT AFFAIRS COUNCIL'S (SGAC) LEADERS' POLICY CONFERENCE IN SCOTTSDALE, ARIZONA NOVEMBER 21-22, 2014.