



The National Conference of State Legislatures



Executive Committee Task Force on State and Local Taxation

Washington Court Hotel * March 23-24, 2018 * Washington, D.C.

Unless otherwise noted, all meetings will be held in the Atrium Ballroom.

Agenda

Friday - March 23

1:00 – 1:15 p.m.

Welcome and Introductions

The Task Force chairs will provide an overview of the meeting followed by attendee introductions.

- ❖ Senator Pam Althoff, Illinois
- ❖ Representative Chris Perone, Connecticut

NCSL Resource: [Federal Tax Reform and the States](#)

1:10 – 2:00 p.m.

Diving into Federal Tax Reform

Now that federal tax reform has become a reality, Cathy Koch, who serves as Tax Policy Leader at E&Y Americas and previously worked as Chief Advisor on tax and economic policy in the U.S. Senate, will dive into the federal tax bill and discuss the major changes and potential economic impacts of the new law.

- ❖ Cathy Koch, Ernst & Young ([Bio](#))

2:00 – 2:30 p.m.

State Revenue Implications of Federal Tax Reform

As states begin to grapple with the implications of federal tax reform, state fiscal departments have started releasing estimates of the revenue impact of the new tax law to their state should their tax codes remain unchanged. Keith Richardson, head of the DC Office of Tax and Revenue, will discuss the issues the federal tax bill have created for state revenue departments, specifically in the District of Columbia.

- ❖ Keith Richardson, DC Office of the Chief Financial Officer ([Bio](#))

2:30 – 4:30 p.m.

State Implications of Federal Tax Reform

Congress may have finished its tax overhaul last year, but for state governments, the scramble has just begun. While each state has its own approach to taxation, all states draw upon the federal tax code to some degree. This means every state will need to analyze their own laws and see what changes will need to be made in response to the federal bill. This session will continue our discussion of federal tax reform and the implications it will have on the states in a three-part series focusing on the three-big picture fiscal considerations of tax reform: International, Business, and Individual.

International Tax Reform

- ❖ Scott Roberti, Ernst & Young (Moderator)
- ❖ Steve Wlodychak, Ernst & Young
- ❖ Michael Mazerov, Center on Budget and Policy Priorities
- ❖ Karl Frieden, Council on State Taxation

Business Tax Reform (including Pass-Thru Entities)

Panel 1

- ❖ Joe Crosby, Multistate Associates (Moderator)
- ❖ Steve Kranz, McDermott Will & Emery
- ❖ Rachelle Bernstein, National Retail Federation

Panel 2

- ❖ Scott Roberti, Ernst & Young (Moderator)
- ❖ Andrew Phillips, Ernst and Young
- ❖ Steve Wlodychak, Ernst and Young

Individual Tax Reform

- ❖ Max Behlke, National Conference State Legislatures (Moderator)
- ❖ Joe Henchman, Tax Foundation
- ❖ Kim Rueben, Tax Policy Center

NCSL Resource: [Remote Sales Tax Collection](#)

4:30 – 5:00 p.m.

Online Sales Tax Update

While the Supreme Court is set to hear oral arguments for the *South Dakota v. Wayfair* case and could overturn *Quill* in a little over three weeks, states have continued to introduce and pass bills in order to collect and remit taxes that are owed from sales by retailers to in-state purchases. This session will provide an update on the current landscape of remote sales tax laws in the country and what may happen in Congress and/or the Supreme Court.

- ❖ Craig Johnson, Streamlined Sales Tax Governing Board
- ❖ Max Behlke, National Conference of State Legislatures

6:30 – 9:30 p.m.

Task Force Reception and Dinner

The Task Force reception will be from 6:30-7:30 p.m. on District Winery's second floor terrace followed by a seated dinner on the 2nd floor's south side dining area.

Location: District Winery
385 Water St SE
Washington, DC 20003
www.districtwindery.com

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

D.Y.K.? In Canada, makers of children's breakfast cereal are granted a tax-exempt status if their cereals contain free toys. However, this exemption is limited to toys that are not "beer, liquor, or wine."

Saturday - March 24

8:00 – 9:00 a.m. **Breakfast**

9:00 – 10:15 a.m. **Readiness is All: If the Supreme Court Overturns *Quill***

The U.S. Supreme Court will hear the *South Dakota v. Wayfair* case on April 17, which could overturn the court's 1992 *Quill* decision. Should the court rule in South Dakota's favor, states will need to be prepared. States will need to be sure their registration systems, databases, return filing and remittance systems, security, and other systems are ready for a major influx of new taxpayers who know little or nothing about filing in any but their own state. Making that experience efficient, easy, and friendly is important for successful and lasting implementation of collection authority should the Court grant it.

- ❖ Russ Brubaker, FedEx
- ❖ Max Behlke, National Conference of State Legislatures
- ❖ Joe Rinzel, Retail Industry Leaders Association

10:15 – 10:45 a.m. **State Budget and Tax Update**

Jackson Brainerd, analyst in NCSL's Fiscal Affairs Program, will provide an update on the status of state finances and notable budget and tax developments thus far in 2018. The presentation will be followed by a roundtable discussion of Task Force members of developments in their states.

- ❖ Jackson Brainerd, National Conference of State Legislatures

10:45 – 11:00 a.m. **Facilitating Rapid Response to Disasters Act Update**

Since endorsement by the Executive Committee Task Force on State and Local Taxation of the *Facilitating Rapid Response to Disaster Act* over half the states have enacted the model into statute. Deborah Bierbaum from AT&T will provide a status report of activity in the states and discuss lessons learned and modifications that were made in order to secure enactment.

- ❖ Deborah Bierbaum, AT&T

11:00 – 11:15 a.m. **Digital Goods Update**

As traditionally taxable products and services are being increasingly offered digitally, state sales tax bases are slowly eroding. As a result, more state and local level governments are considering if and how to tax digital products. This session will provide an update of recent developments in the digital tax arena at the state and local levels as well as provide an outlook for what may occur at the state and federal levels the remainder of 2018.

- ❖ Steve Kranz, McDermott Will & Emery

11:15 – 11:30 a.m. **Unclaimed Property Update**

Unclaimed Property has become a significant revenue source for many states and a point of contention for many businesses. This presentation will update the Task Force about activity across the country.

- ❖ Diann Smith, McDermott Will & Emery

11:30 a.m. – Noon

Federal Partnership Changes

Business groups, practitioners, and taxpayers have continued to work on model legislation to improve the process for taxpayers to report federal tax adjustments to the states, including the new partnership audit regime. This session will summarize the details of the model, during which the presenters would like to obtain input from the task force on its consideration of a resolution in support of the model legislation once it is finalized.

- ❖ Fred Nicely, Council on State Taxation
- ❖ Jonathan Horn, American Institute of Certified Public Accountants
- ❖ Pilar Mata, Tax Executives Institute
- ❖ Helen Hecht, Multistate Tax Commissioners

Noon

Adjournment

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>

FUTURE TASK FORCE MEETINGS

JUNE 28 – 29, 2018

LAKE TAHOE, NEVADA

JULY 29, 2018

LOS ANGELES, CALIFORNIA

IN CONJUNCTION WITH

NCSL'S LEGISLATIVE SUMMIT (JULY 30 – AUG. 2)

NOVEMBER 16-17, 2018

SCOTTSDALE, ARIZONA

D.Y.K.? Delaware has a low 8.7 percent flat tax on corporations, likely the reason about half of all publicly traded companies in the country consider it home. A single address in Wilmington, 1209 North Orange St., is the legal address of more than 285,000 companies.

Task Force Membership

Co-Chair, Senator Pam Althoff, Illinois
Co-Chair, Representative Chris Perone, Connecticut

Representative Chris Sells, Alabama
Representative Dan Douglas, Arkansas
Representative Helene Keeley, Delaware
Councilmember Anita Bonds,
Washington D.C.
Representative David Santiago, Florida
Representative Scott Saiki, Hawaii
Representative Sylvia Luke, Hawaii
Representative Lance Clow, Idaho
Senator Toi Hutchinson, Illinois
Representative Marcus Evans Jr., Illinois
Representative Michael Zalewski, Illinois
Representative Tim Brown, Indiana
Senator Randy Feenstra, Iowa
Representative Julie Stokes, Louisiana
Senator Brian Feldman, Maryland
Representative Jay Kaufman, Massachusetts
Representative Joyce Peppin, Minnesota
Senator Ann Rest, Minnesota
Senator Jim Smith, Nebraska
Assemblywoman Irene Bustamante-Adams,
Nevada
Representative Norman Major,
New Hampshire
Representative Carl Trujillo, New Mexico
Assemblyman Felix Ortiz, New York
Senator David Carlucci, New York
Representative John Szoka, North Carolina
Senator Dwight Cook, North Dakota
Representative Gary Scherer, Ohio
Representative Timothy Schaffer, Ohio
Representative John Rogers, Ohio

Senator Roger Thompson, Oklahoma
Representative Brian Kennedy,
Rhode Island
Representative Nathan Ballentine,
South Carolina
Senator Paul Campbell Jr., South Carolina
Senator Deb Peters, South Dakota
Senator Ernie Otten, South Dakota
Representative Kevin Brooks, Tennessee
Representative Dennis Bonnen, Texas
Representative Dan Flynn, Texas
Representative Drew Springer, Texas
Senator Wayne Harper, Utah
Senator Howard Stephenson, Utah
Senator Curtis Bramble, Utah
Representative Janet Ancel, Vermont
Delegate Eric Nelson, West Virginia
Senator Alberta Darling, Wisconsin
Representative John Macco, Wisconsin

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Jennifer Hays, Kentucky
Mary Ann Cleary, Michigan
Katherine Schill, Minnesota
Megan Moore, Montana
Dan Schmidt, Wisconsin

NCSL Staff

Max Behlke, Washington, D.C.
Jake Lestock, Washington, D.C.

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Senator Toi Hutchinson (Illinois), President-elect
Speaker Robin Vos (Wisconsin), Vice President
Senator Dan Blue (North Carolina), Immediate Past President