



The National Conference of State Legislatures



EXECUTIVE COMMITTEE TASK FORCE ON STATE AND LOCAL TAXATION

Fairmont Princess * January 14th, 2017 * Scottsdale, Arizona

Unless otherwise noted, all meetings will be held Palomino 2&3

Friday, January 13th

6:00 – 8:30 p.m. Task Force Reception and Dinner

**Location: Bourbon Steak
Fairmont Princess Hotel**

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

Saturday, January 14th

7:00 – 8:30 a.m. Breakfast

Palomino West Foyer

9:00 – 9:15 a.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

9:15 – 9:45 a.m. Status of State Finances

States' fiscal FY 17 budgets project moderate general fund spending growth for the seventh consecutive year. However, progress since the Great Recession has been uneven, and many states are seeing softening state tax collections. This session will provide an update to the Task Force on general state tax and revenue trends and will provide an overview of state fiscal conditions and what states will have to do to enact balanced budgets for FY 18.

- ❖ Jackson Brainerd, National Conference State Legislatures

9:45 – 10:15 a.m. Remote Sales Tax Collection Update

Many states have signaled that they plan to consider legislative measures that would grant their state the authority to collect the sales taxes that they are already owed but are unable to collect. This session will outline what these states can learn from the state activity in 2016 and will provide an overview of the current status of the court cases that could ultimately lead to the court's reconsideration of *Quill*.

- ❖ Max Behlke, National Conference of State Legislatures
- ❖ Joe Crosby, Multistate Associates

10:15 – 11:00 a.m. Update from the Federation of Tax Administrators

Ken Roberts, Chairman of the Idaho State Tax Commission, will provide an update from the Federation of Tax Administrators and what he expects the will be the most prominent tax issues states will consider in 2017.

- ❖ Ken Roberts, Chairman, Idaho Tax Commission

11:00 – 11:30 a.m. Conforming to Federal Partnership Audit and Adjustment Rules

Representatives from the Council on State Taxation, the Tax Executives Institute, the American Bar Association's SALT Committee, and the American Institute of CPAs have reached out to the Multistate Tax Commission to encourage the states to adopt uniform legislation for taxpayers to report federal tax audit changes. Currently, the states have different procedures and timeframes for reporting federal audit changes and uniformity is sought to make the process more efficient for taxpayers and tax administrators. This session will summarize the issues and explain the proposed changes to modify the MTC's current model for reporting federal changes.

- ❖ Nikki Dobay, Council on State Taxation
- ❖ Fred Nicely, Council on State Taxation
- ❖ Pilar Mata, Tax Executives Institute
- ❖ Tom Skimkim, Multistate Tax Commission

11:45 a.m. – 1 p.m. Lunch Session on Transportation Funding

Arabian AB

Joint lunch with the NCSL Foundation's Partnership for Multi-Sector Private Public Partnerships regarding the future of state transportation funding.

The first real-world test of user-pays road charging in Australia, the [Australia Road Usage study](#) was designed to gauge motorists' understanding of the current road funding system and assess their attitudes toward and behaviors under various user-pays options. The study also set out to demonstrate that technology is no longer a barrier to the implementation of a user-pays system. Two road-charging models with distinct purposes were tested consecutively during the study. The project was conducted using over 1,600 volunteer drivers, selected to represent a cross-section of those in the Melbourne metro area.

- ❖ Michelle Huey, Transurban

1:00 – 1:45 p.m. What is the Latest with Federal Tax Reform?

As congressional tax writers prepare for the new administration, they continue to work on a tax reform plan that they hope the new president will sign in 2017. And while most tax experts in Washington agree that the tax code needs an overhaul, finding consensus, especially on the more contentious issues, can be quite difficult. This session will provide an update and outlook on federal tax reform, what it may cost, and provide an overview of the more contentious issues that will need to be resolved for it to succeed.

- ❖ Kyle Pomerleau, Tax Foundation

D.Y.K ... In response to a petition that garnered the requisite number of signatures, the White House in 2012 expressed [opposition](#) to building a "Death Star" due to cost. They estimated that a "Death Star" would cost approximately \$852,000,000,000,000,000 Or roughly 13,000 times the world's GDP.

1:45 – 2:45 p.m.

State Corporate Income Tax Implications of Federal Tax

The sweeping federal tax reform legislation soon to be introduced into the House of Representatives with support from the House leadership and President-elect Trump could result in far-reaching changes to state corporate income tax laws. This session will discuss the state tax implications of a shift to a destination based, cash-flow federal corporate tax regime.

- ❖ Michael Mazerov, Center on Budget and Policy Priorities
- ❖ Joe Crosby, Multistate Associates
- ❖ Karl Friedan, Council on State Taxation
- ❖ Greg Turner, Turner SALT

2:45 – 3:30 p.m.

Digital Taxation and Augmented Reality

Pokémon GO, the widely popular app-based augmented reality game in 2016, has waned in popularity but the question in states across the country about whether or not the app's purchases were taxable has not subsided. And as states prepare for their 2017 legislative sessions, many of which face significant budget shortfalls, it is likely that the taxation of digital downloads will be a prominent issue in 2017. Steve Kranz and Tom Foulkes will discuss the issues associated with this emerging digital trend.

- ❖ Tom Foulkes, Entertainment Software Association
- ❖ Stephen Kranz, McDermott Will & Emery LLP

3:30 – 4:30 p.m.

How Do State Tax Increases and Decreases Affect Economic Growth?

There is a vibrant debate among tax experts concerning whether, and to what degree, tax increases or decreases affect a state's economy. This session will examine both sides of the debate and explore whether or not the outcome of tax changes in one state can be expected in other states.

- ❖ Michael Mazerov, Center on Budget and Policy Priorities
- ❖ Joe Henchman, Tax Foundation

4:30 – 5:00 p.m.

Task Force Update and Business Meeting

Task Force members will discuss what they expect will be the principle issues that will be considered in their states their 2017 legislative sessions. The Task Force will also hold a business meeting, where it will consider the final Tax Expenditures policy document.

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

D.Y.K ... The infamous window tax, apocryphally the origin of the term 'daylight robbery', was introduced by William III in 1696 in England. It was banded, with a flat rate charge of two shillings per house rising to 8 shillings for those with the most windows. It lasted 156 years, during which time the levy-free window allowance fell from 10 to six, then up again to eight. It was repealed in 1851 after campaigners branded it a "tax on health" and "tax on light and air". Many homes from this period still bear the legacy of this tax - bricked up windows.

FUTURE TASK FORCE MEETINGS

JUNE 15-16, 2017
JACKSON HOLE, WYOMING

AUGUST 5-6, 2017
BOSTON, MASSACHUSETTS

IN CONJUNCTION WITH THE
NCSL LEGISLATIVE SUMMIT

NOVEMBER 17-18, 2017
NAPLES, FLORIDA

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Task Force Membership

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

Representative Janet Ancel, Vermont
Councilmember Anita Bonds,
Washington D.C.
Senator Curtis Bramble, Utah
Representative Kevin Brooks, Tennessee
Assemblywoman Irene Bustamante-Adams,
Nevada
Representative Lance Clow, Idaho
Senator Dwight Cook, North Dakota
Representative Justin Cronin, South Dakota
Senator Alberta Darling, Wisconsin
Representative Dan Flynn, Texas
Representative Jason Harper, New Mexico
Senator Wayne Harper, Utah
Senator Judson Hill, Georgia
Senator Toi Hutchinson, Illinois
Representative Jay Kaufman, Massachusetts
Senator Luke Kenley, Indiana
Representative Brian Kennedy,
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Representative John Macco, Wisconsin
Representative Norman Major,
New Hampshire
Delegate Eric Nelson, West Virginia
Assemblyman Felix Ortiz, New York

Representative Joyce Peppin, Minnesota
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Senator Neil Riser, Louisiana
Senator Ann Rest, Minnesota
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Representative Gary Scherer, Ohio
Representative Chris Sells, Alabama
Representative Julie Stokes, Louisiana
Senator Ryan Silvey, Missouri
Senator Jim Smith, Nebraska
Representative David Santiago, Florida
Senator Roger Thompson, Oklahoma
Representative John Szoka, North Carolina
Representative John Wray, Texas

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