



The National Conference of State Legislatures



Executive Committee Task Force on State and Local Taxation

Fairmont Princess * November 16-17, 2018 * Scottsdale, Arizona

Unless otherwise noted, all meetings will be held in the Princess Salon DE.

Agenda

Friday – November 16

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 Deb Peters**, South Dakota
- ❖ **Representative Marvin Abney**, Rhode Island

1:15 – 1:45 p.m.

The Gig Economy & State Taxes: 1099 K Reporting

Whether driving for Uber, renting a room (or multiple condos) via Airbnb, picking up groceries for Instacart, or running errands for TaskRabbit, people are increasingly turning to the flexibility of app-based, independent employment as a source of income. As with remote sales tax collection, the question for states is how to respond to these developments in the absence of federal leadership. Learn how Massachusetts and Vermont acted to ensure taxpayers have the information they need to comply with tax laws.

- ❖ **Joe Crosby**, MultiState Associates

1:45 – 2:15 p.m.

Unclaimed Property

Almost every state has a False Claims Act that covers underpayments by businesses of deemed unclaimed property, such as uncashed checks. This session will discuss recent developments in which these statutes are used to challenge compliance positions that have historically been well known and accepted by states and their auditors.

- ❖ **Diann Smith**, McDermott Will & Emery

2:15 – 2:50 p.m.

State Implementation of the Wayfair Decision

Now that states have been granted collection authority of remote sales taxes, most states have begun the process of implementing collection requirements for remote sellers. Hear about what states are doing and what actions they may need to take in 2019 to ensure that their laws are implemented fairly and effectively for remote sellers.

- ❖ **Jake Lestock**, National Conference of State Legislatures
- ❖ **Christie Comanita**, Streamlined Sales Tax Governing Board
- ❖ **Russ Brubaker**, TaxCloud
- ❖ **Pete Jacobson**, International Council of Shopping Centers

2:50 – 3:30 p.m.

Marketplace Facilitator Laws

Now that the Supreme Court has determined states *can* require remote sellers to collect and remit sales taxes, questions about *who* should collect to simplify processes for small sellers remain. Marketplace collection provisions aim to require online and other marketplaces to collect and remit sales tax on third-party sales on their marketplaces. The Multistate Tax Commission created a work group to focus on implementation issues facing states and put marketplace facilitator laws at the top of its priorities. Hear from MTC and business representatives discuss their marketplace recommendations for states.

- ❖ **Richard Cram**, Multistate Tax Commission
- ❖ **Joe Rinzel**, Retail Industry Leaders Association
- ❖ **Rob Plattner**, Amazon

3:30 – 4:00 p.m.

Federal Legislation after the Wayfair Decision

After decades of negotiations for a federal solution in the remote sales tax issue, the Supreme Court ruled in favor of state authority to collect. Now, the tides have turned, and new federal legislation has been introduced to address concerns from e-commerce companies who are nervous that states may get too aggressive. Hear from advocates from both sides of the issue discuss what they believe should be the next steps.

- ❖ **Joe Rinzel**, Retail Industry Leaders Association
- ❖ **Carl Szabo**, NetChoice
- ❖ **Rachelle Bernstein**, National Retail Federation

4:00 – 5:00 p.m.

State Alcohol Tax Systems & Tech. Changes

Hear from representatives of alcoholic beverage producers, distributors and retailers discuss the current state of the alcohol tax excise structure with a particular focus on how alcohol taxes conform to NCSL's principles of a sound tax system. Then hear how new technology platforms provide new methods of consumer delivery systems and how direct shipments, cross-border sales, and changes in the manufacturing, retailing, and distribution structure might impact state revenue.

- ❖ **John Kroll**, HMWK Global (Moderator)
- ❖ **John Dunham**, Dunham & Associates
- ❖ **Steve Gross**, Wine Institute
- ❖ **Justin Robinson**, Drizly
- ❖ **Fred Mahony**, Massachusetts Alcoholic Beverages Commission

D.Y.K.? While music lessons are not normally deductible as mere instruction, they may be deductible for child care or medical expenses. In 1962 the IRS allowed a deduction for clarinet lessons when prescribed by an orthodontist to help correct an overbite.

6:00 – 9:00 p.m.

Task Force Reception and Dinner

Fairmont Gold Meeting Room

Located in: The Fairmont Scottsdale Princess

7575 E Princess Dr.

Scottsdale, AZ 85255

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

Saturday – November 17

8:00 – 9:00 a.m.

Breakfast

9:00 – 9:45 a.m.

Vaping and E-Cigarettes: Taxation of 21st Century Nicotine Alternatives

With “vape” winning “word of the year” in 2014 and now officially in the Oxford English Dictionary, it looks like e-cigarettes and all their accoutrements are here to stay. While proponents of the new product argue their effectiveness to help smokers quit, states will also be looking at how the changes in sales of nicotine products will have long-term effects on state revenues.

- ❖ **Karmen Hanson**, National Conference of State Legislatures
- ❖ **Mark Meaney**, Tobacco Control Legal Consortium
- ❖ **Guy Bentley**, Reason Foundation

9:45 – 10:15 a.m.

Treasury Offset Program

The “Treasury Offset Program” allows the federal government to seize government payments to vendors that owe back taxes to the federal government, or to states that elect to participate in the program. Unfortunately, problems with administration and management of the program have generated significant administrative headaches for taxpayers. This session will provide a brief overview of the program and discuss how the program could be improved.

- ❖ **Fred Nicely**, Council on State Taxation
- ❖ **Scott Mackey**, Leonine Public Affairs
- ❖ **Deborah Bierbaum**, AT&T

D.Y.K.? In 1078, William the Conqueror appointed a “Constable” or senior position to the Tower of London fortress. Since the first appointment to the role, the position of Constable received a tax or toll from passing ships on the Thames river into London, which would usually be bounty from the water or kegs of rum. Today, the Constable’s ‘dues’ is an ancient ritual that occurs once a year accompanied by the grandest spectacle of a presentation ceremony where a ship’s company arrives to carry one symbolic keg of rum alongside an axe-wielding Yeoman Guard to present to the “Constable” and then guests retire to the armory for a feast of the bounty.

Only the English could turn a tax into an elaborate ceremony and celebration...

10:15 – 11:45 a.m. **Federal Tax Reform – Impact on 2019 Legislative Sessions**

While each state has its own approach to taxation, all states draw upon the federal tax code to some degree. As all 50 states convene in 2019, they 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 how states have already responded and what others may do in the coming year.

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

- ❖ **Joe Crosby**, Multistate Associates (Moderator)

Personal Income Tax

- ❖ **Joseph Bishop-Henchman**, Tax Foundation
- ❖ **Kevin Martin**, H&R Block

Business Tax

Panel 1 - GILTI

- ❖ **Karl Frieden**, Council on State Taxation
- ❖ **Deborah Bierbaum**, AT&T
- ❖ **Michael Mazerov**, Center on Budget and Policy Priorities

Panel 2 – 163 (J)

- ❖ **Evan Hoffmann**, Organization for International Investment
- ❖ **Karl Frieden**, Council on State Taxation

11:45 a.m. – noon **Business Meeting & Task Force Roundtable**

This time will be for the task force to take care of any business and also provide time for a roundtable discussion among task force members regarding important tax considerations they expect will occur in their 2019 legislative sessions and what they would like the task force to look into more at upcoming meetings.

12:00 p.m. **Adjournment**

2019 SALT Task Force Meeting Dates TBD

Task Force Membership

Co-Chair, Senator Deb Peters, South Dakota

Co-Chair, Representative Marvin Abney, Rhode Island

Representative Chris Sells, Alabama
Senator David Farnsworth, Arizona
Representative Dan Douglas, Arkansas
Representative Chris Perone, Connecticut
Representative Tracy Kraft-Tharp, Colorado
Representative Helene Keeley, Delaware
Councilmember Anita Bonds,
Washington D.C.
Representative David Santiago, Florida
Representative Jay Powell, Georgia
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
Senator Travis Holdman, Indiana
Representative Tim Brown, Indiana
Senator Randy Feenstra, Iowa
Senator Dan Kerschen, Kansas
Representative Julie Stokes, Louisiana
Senator Neil Riser, Louisiana
Senator Brian Feldman, Maryland
Representative Jay Kaufman, Massachusetts
Senator Ann Rest, Minnesota
Representative Jim Hamilton, Montana
Assemblywoman Irene Bustamante-Adams,
Nevada
Assemblywoman Dina Neal, Nevada
Representative Norman Major,
New Hampshire
Representative Carl Trujillo, New Mexico
Representative Jason Harper, 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 Sean O'Brien, Ohio
Senator Roger Thompson, Oklahoma
Representative Barbara Smith Warner, Oregon
Representative Brian Kennedy,
Rhode Island
Representative Nathan Ballentine,
South Carolina
Senator Paul Campbell Jr., South Carolina
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
Senator Christine Rolfes, Washington
Delegate Eric Nelson Jr., West Virginia
Senator Alberta Darling, Wisconsin
Representative John Macco, Wisconsin

Legislative Staff

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

NCSL Staff

Jake Lestock, Washington, D.C.