



# State of New Hampshire Department of Revenue Administration

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www.nh.gov/revenue



John T. Beardmore  
Commissioner

Kathryn E. Skouteris  
Assistant Commissioner

July 27, 2015

Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council  
State House  
Concord, New Hampshire 03301

Retroactive

### Requested Action

Authorize the Department of Revenue Administration to retroactively pay the Multistate Tax Commission (MTC), (vendor code: 168695), Washington D.C. the amount of \$12,550 for membership in the Nexus Program as an Associate Member effective upon Governor and Council approval for the period retroactive July 1, 2015 through June 30<sup>th</sup>, 2016. Funds to support this request are available in the following account:

100% General Funds

**01-84-84-84051-1301-026-500251, AUDIT, DEPARTMENT OF REVENUE ADMINISTRATION**

<b>026-500251 Membership Fees</b>	<b>FY2016</b>	<b>\$12,550</b>
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### Explanation

The reason this request is retroactive is due to the fee calculation by the organization, which is partially determined on a participation level and is not decided until the beginning of each state fiscal year. As a result, the Department requests to pay this membership fee retroactively on an annual basis.

The MTC is an intergovernmental state tax agency that works on behalf of state tax agencies and taxpayers in several ways, depending on membership level and program enrollment. Each state is automatically an Associate Member, with any prior involvement with the MTC, with no fee. New Hampshire is an Associate Member. There are two higher levels of membership, and options to join two types of programs (Nexus and Audit), regardless of membership level. This request is for the fee of the Nexus Program, and not any higher membership status. As a participant in the Nexus Program, the agency will be able to participate in reviewing national nexus research as well as participate in the MTC Voluntary Disclosure (VD) Program. Through the MTC VD program, taxpayers are able to work with several states at once to disclose their tax liability within specific terms. Additionally, as a National Nexus Program participant, a discount is offered on training programs for state tax auditors.

Listed below are the answers to the standard questions required for Governor and Council organization dues and membership approval submissions:

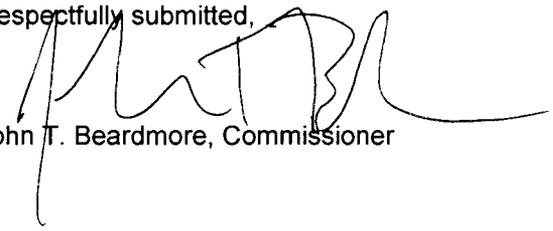
- 1 How long has this organization been in existence and how long has this agency been a member of this organization?  
The organization has been in existence since 1967 and the agency has been a member since at least 1994 as an Associate Member. The National Nexus Program was founded in 1990 and New Hampshire has been a National Nexus Program member intermittently in the past, continuously since 2013.
2. Is there any other organization which provides the same or similar benefits which your agency belongs to?  
No.

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

3. How many other states belong to this organization and is your agency the sole New Hampshire state agency that is a member?  
At various membership levels, 48 states are members of the MTC. Thirty-seven states participate in the National Nexus Program.
4. How is the dues structure established?  
Standard fee for all states, based on population, based on other criteria. National Nexus Program Fees are apportioned among the participating states according to a formula whereby 60 percent of the costs are divided on an equal basis and 40 percent on the basis of relative shares of state tax revenues of participating states. As an Associate Member, the agency would also pay an additional 20 percent general operations support fee (included in the amount requested). Fees are capped so that no state pays for more than 5 percent of total program fees.
5. What benefit does the state receive from participating in this membership?  
The state will benefit from participating in the National Nexus Program through taxpayer disclosure of tax obligations, the participation in nationwide nexus discussions, and access to discounted training for tax auditors.
6. Are training or education/research materials included in the membership? If so, is the cost included? Explain in detail.  
No. Participation in the Nexus Program affords the agency discounts in training programs, but the training programs must be enrolled in, and require a separate fee.
7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain.  
No.
8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips.  
No.
9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization.)  
The agency as a whole is considered a member. Likely direct communications will occur with: John Beardmore, Commissioner; Kathleen Sher, Director of Audit and Kerrin Rounds, Assistant Director of Audit.
10. Explain in detail any negative impact to the State if the Agency did not belong to this organization.  
The agency will not receive any additional revenue from the taxpayers that conduct a VD through the MTC.

Respectfully submitted,

  
John T. Beardmore, Commissioner



**MULTISTATE TAX COMMISSION**

*Maximizing the synergies of multistate tax cooperation*

444 North Capitol St., NW  
Suite 425  
Washington, DC 20001-1538  
Telephone: 202.650.0300

**www.mtc.gov**

July 1, 2015

STATE OF NEW HAMPSHIRE

**INVOICE**

Fiscal Year: July 1, 2015 through June 30, 2016

MTC Membership Assessment	\$0
Audit Program Fee (Invoiced separately per the contract)	0
National Nexus Program Fee	<u>12,550</u>
<b>TOTAL DUE</b>	<b><u>\$12,550</u></b>

The Federal Employer Identification number of the Multistate Tax Commission is 43-0918818.

Please make the check payable to the Multistate Tax Commission and remit to our Washington, D.C. address.

**ACH INFORMATION:**

BB&T  
1909 K Street, NW  
Washington, DC 20006  
Account Name: Multistate Tax Commission  
Routing Number: 054001547  
Account Number: 5162977999

**RECEIVED**

**JUL 07 2015**

**AUDIT DIVISION  
NH DRA**