

## Income/Franchise:

### Multistate Tax Commission Says States Adopting its P.L. 86-272 Statement Should Also Adopt its Factor Presence Nexus Standard

*Multistate Tax Commission 55th Annual Meeting Agenda*, Multistate Tax Commission (8/3/22); *Resolution No. 2022A – Recommending that States that Adopt the Statement of Information Concerning Practices of the Multistate Tax Commission and Supporting States Under Public Law 86-272 also Adopt the Model Factor Presence Nexus Standard for Business Activity Taxes*, Multistate Tax Commission (8/3/22). At its recent annual meeting, the Multistate Tax Commission (MTC) approved a resolution recommending that states adopting the MTC’s revised “Statement of Information Concerning Practices of the Multistate Tax Commission and Supporting States Under Public Law 86-272” (“P.L. 86-272 Statement”) from 2021 that incorporates activities regularly undertaken by businesses today, including selling goods over the internet, also adopt the MTC’s “Model Factor Presence Nexus Standard for Business Activity Taxes” (“Model Factor Presence Standard”) from 2002. In doing so, the MTC explains that it continues to support adoption by states of the Model Factor Presence Standard as a “means of reducing the burdens of multistate tax compliance on businesses with minimal presence in states and also of reducing unnecessary burdens on state revenue departments.” Please contact us with any questions.

**URL:** <https://www.mtc.gov/Events-Training/2022/55th-Annual-Meeting>

**URL:** <https://www.mtc.gov/getattachment/Events-Training/2022/55th-Annual-Meeting/Resolution-Report-Commission-2022.pdf.aspx>

— Joe Garrett (Birmingham)  
Managing Director  
Deloitte Tax LLP  
[jogarrett@deloitte.com](mailto:jogarrett@deloitte.com)

Amber Rutherford (Nashville)  
Senior Manager  
Deloitte Tax LLP  
[amberrutherford@deloitte.com](mailto:amberrutherford@deloitte.com)

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

#### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.