Mitigation Advisory Committee Meeting Minutes
September 26, 2008

Attendees:
Gary Alexander, Thurston County
Lorrie Brown, Office of Financial Management
Sheila Gall, Association of Washington Cities
Tom Kirn, City of Seattle
Danielle Larson, City of Tacoma
David Layden, City of University Place
Glen Lee, City of Seattle
Lucy Liu, City of Bellevue
Julie Murray, Washington State Association of Counties
Bob Nachlinger, City of Kent
Rick Peterson, House Finance Committee
Jim Turpie, Community Transit

Department of Revenue Staff - Matthew Bryan, Kim Davis, Joyce Fouts, Miki Gearhart, Don Gutmann, Tim Jennrich, Tiffany Johnson, Rick Manugian, Greg Potegal, Janet Shimabukuro, Janetta Taylor, Valerie Torres, Cheryl Wack

Announcements

New members

Miki introduced David Layden from the city of University Place who attended the meeting in place of Bob Jean. Bob was recently appointed to the committee to replace Iwen Wang as a representative from a positively-impacted city.

Advisory Committee meeting schedule

The next two meetings of the committee are scheduled for Thursday, October 30, 2008, and Thursday, January 8, 2009.

Updates

Early implementers

Valerie Torres presented a handout on early implementers. Staff reviewed the top 50 businesses with the greatest change in the number of locations between January, February, and March and Quarter 1 of 2007 and January, February, and March and Quarter 1 of 2008 and also the top 250 businesses with the greatest taxable retail sales. As a result, 70 early implementers were identified, and the returns that were filed early with the change to destination sourcing were corrected.

Annexation data

Matthew Bryan stated that letters had been sent to 40 cities with known annexations. They were asked to let the Department of Revenue know if there were other annexations that DOR did not know about. Responses were received from all but four cities.

Mitigation contacts for local governments

Janetta Taylor said the agency is in the process of identifying the individuals who should be provided with mitigation information to get signed secrecy clause affidavits from them. It is a slow process, and the agency is about a third of the way through. Jim Turpie asked if that included contacts for transit districts, and Janetta said it did.

Proposal for local government notification

Don Gutmann: Once we get the list of contacts, send out the payment amounts, and the state treasurer makes the payments, DOR will send out an e-mail to each contact with a secure link to the file with the information for that jurisdiction. The file will contain registration number, name and address of taxpayer, the NAICS code, amount of taxable retail sales, gain or loss due to sourcing, and for the location, the percentages that we are using to determine the gain or loss.

Miki Gearhart: We are calling this firm-level detail.

Janetta Taylor: The process for sending the firm-level detail is still being developed, and we assumed most entities would have Word and Excel. So far, everybody has those, so the format will probably be Excel.

Bob Nachlinger: Will the data be for the entire quarter or monthly?

Don Gutmann: For the quarter.

Bob Nachlinger: Is there a way to get the data monthly so if we see any problems we could let you know?

Valerie Torres: There are monthly taxpayers but the data will be reviewed quarterly, so the data would be the summary of the three months.

Miki Gearhart: Everyone will get the data whether you’re a gainer, a loser, or equal.

Incoming data

Don Gutmann: We have the first month’s information and are processing it. It is a lot of data.

Sheila Gall: Is there a general sense that it is working?

Don Gutmann: We are still processing the data and don’t know yet.

Janetta Taylor: The businesses are getting it right, but we are getting some grumbling. I am very happy and kind of surprised with how the businesses are making the change.

Testing process

Don Gutmann: We are writing the programs. We will go through an internal process of testing, and Rick Peterson will be asked to look at our programs. We will give the city of Seattle data to look at to see if it makes sense. Bob, we could give you the data for the city of Kent so you can see if it looks correct.

Bob Nachlinger: I would appreciate that.

Don Gutmann: We are trying to test this as vigorously as we can so we have some confidence in ourselves.

Road show documents prepared since June

Mike Gearhart: The documents from the road shows are on our web site. If you get a chance, go to the web site and take a look at them. If you have updates or suggestions, let us know as soon as possible.

We made a correction to the destination-based sales tax. The LIFT isn’t imposed yet, so that is why it isn’t mitigated.

Communication and feedback

Draft communication plan

Rick Manugian: The Goals/Purpose on the communication plan is basically all the things we need to accomplish to keep everyone up to speed on this. One key thing is we need to be very careful with the information we get to you and how we give it to you. It is difficult to use the data we have to do projections, so we will try to tell you what you can use and what isn’t good to use.

If the finance person in your office hasn’t been notified yet about the mitigation payments, be sure to tell him to contact DOR. Jim Harden is the DOR contact who is working on this.

Web sites are good resources for your staff to learn more about mitigation.

Miki Gearhart: The list of contacts that the Taxpayer Account Administration Division is developing – are we going to send something to them to encourage them to get on the mitigation listserv?

Janetta Taylor: Yes.

Feedback from businesses

Janet Shimabukuro: We have had direct contacts with less than a quarter of the businesses that ship in the state. We know that there are businesses that are very excited about destination-based sales tax. Most people who are contacting us are struggling.

We have had more than 8,200 destination sales tax calls this year. The calls have slowed down since the first due date. Overall, it is amazing how much the flurry pre-July 1 has gone back to usual. Seventy to 80 percent of the businesses our staff talked to have complied. They are saying it is complex with all of the jurisdictions and they don't see the benefit to them of doing more work for us. They do appreciate all of the information and tools that we have adopted to make it easier for them.

The biggest hurdle is online shopping carts. It is their responsibility to code the tax accurately. They can code the tax amounts at the back end – if you under-collect, you have to make it up. But if you over-collect, we will refund the money to you. As time and technology goes forward, we anticipate that this will be corrected in the future. We have designated one person in our division to work with the shopping cart businesses.

The transition has gone relatively smoothly. All of our work seems to have paid off.

Janetta Taylor: The small businesses are struggling.

Rick Peterson: Are you contacting the businesses that create the shopping carts?

Janetta Taylor: Yes we are, but you have to realize that we are somewhat unique. The shopping carts work by zip code in most states, but we have so many jurisdictions. The market is shifting a lot to support the change.

Follow-up on issues from last meeting

Mitigation for taxes imposed by counties and distributed to cities

Miki Gearhart: We will mitigate cities for the losses of taxes that are imposed by the counties. These local taxes – criminal justice, Metro parks, public safety, and mental health – are authorized to do the distribution to the city. We will distribute to the cities as part of the formula.

Use of mitigation funds

Tim Jennrich: We were asked to reconsider whether we can advise on how to use the mitigation funds. Is there going to be a restriction on how the funds can be used? We don't see any authority for us to provide that advice from the Department. Such advice should come from the state auditor.

David Layden: Have you talked to the state auditor's office?

Miki Gearhart: As a committee we don't have any plans to approach the state auditor's office.

Sheila Gall: The Association of Washington Cities talked to the state auditor's office about the code for these funds. They decided it will be a state-shared revenue, so that supports the idea of general use of the funds.

<u>Updated issue paper on 1 percent administration fee for local taxes</u>

Miki Gearhart: We are not going to take a 1 percent administration fee from the mitigation funds.

Gary Alexander: Are you going to ask the Legislature for additional funds for the administration fee?

Janetta Taylor: No, we have not submitted any requests for additional funds.

David Layden: Are you taking an administration fee out of the communities that are gaining?

Miki Gearhart: We are not taking any administrative fee for any work we are doing and we are not taking any administration fee from the locals.

Adjustment issue papers

Kim Davis: The master list of issue papers is obsolete. We are working on a new one.

Issue paper 01-03 is on the origin-based period data. The committee recommendation we have captured is that we would use the fiscal year data for the monthly and quarterly tax returns and calendar year 2007 for annual tax returns.

Gary Alexander: Are there any firms who would change their payment schedule during this time?

Kim Davis: There certainly could be changes.

Issue paper 01-04 is on the destination-based period data. The committee recommendation is to use Fiscal Year 2009 for monthly and quarterly tax returns and calendar year 2009 for annual tax returns for the destination-based period data.

Don Gutmann: Do we want to allow one or two quarters so we can capture the data for any businesses that are late to implement? The best period might be calendar year 2009. The first four payments we will be comparing Fiscal Year 2008 to Fiscal Year 2009. We will take care of the annuals during the true-up period.

Gary Alexander: I think it would be better to use the monthly to monthly or quarterly to quarterly comparison.

Kim Davis: With the calendar year 2008 return, six months will be origin-based sales and six months will be destination-based sales.

Bob Nachlinger: I thought we weren't going to fix the mitigation until two quarters later based on the changes we saw in the final two quarters.

Miki Gearhart: We will have those extra two quarters to clean up the data.

Sheila Gall: We are going to have the disruption of the floods in Lewis County, so if it is too disruptive we will have to look at it again. I do think there is a benefit to you to clean up the data as you get it so the cleanup isn't left until the end.

Kim Davis: The committee suggested that we look at Quarter 3, 2009 and use the Quarter 3, 2008 data to clean that up.

Jim Turpie: I thought we had agreed to put it in your hands – if you think the data doesn't look right, you will look at the additional quarters and use that information to say this is what the data should have looked like.

Rick Peterson: Is there going to be some internal process to create a list of businesses that haven't changed to destination-based sourcing?

Janetta Taylor: Our examiners look at the returns, so that will be checked. If we find them we will work with them then to move the data to where it should be.

Miki Gearhart: One of the discussions we had before was there might be a bigger impact on small jurisdictions if businesses didn't comply right away.

Jim Turpie: It seems to me that shifting to a different time period just opens it up to twice as many problems. If you move the period back it opens it up to a lot more adjustments that we have to look at, so it seems that we should get that first year cleaned up as much as possible.

Kim Davis: Issue 04-01 is when should the annual loss for each taxing jurisdiction be determined? We are trying to come up with terminology that is clearer and more consistent in our documents. I was very confused by the committee recommendations. Are we hoping to determine the annual loss after we clean up Fiscal Year 2009 data?

Jim Turpie: I understood that we need the additional two quarters to have time to get everything done. I didn't have the sense that we were going to take the data from the two additional quarters in order to do another whole comparison. The six months is time to give you to validate the loss.

Gary Alexander: I think there would be a lot of reluctance by the jurisdictions if there was a delay in getting their payments.

Miki Gearhart: They would still receive their payments. There would be no delay in getting their payments.

Kim Davis: Once the annual loss is determined, it can be adjusted once a year. You take the loss and divide it by four plus the offset for voluntary compliance. Up until that point your mitigation payment will fluctuate more.

Don Gutmann: We will take the percent that we calculate from Fiscal Year 2008 and apply it against the sales for the first quarter of 2010.

Greg Potegal: The law says that until the loss is determined, we have to do it on a quarter-by-quarter basis.

Bob Nachlinger: My concern is if you use six quarters you won't have the data until it is due to the Department. When are the annuals due?

Kim Davis: They're due the end of January.

Don Gutmann: But they're not checked and corrected by then, so we wouldn't have the data until April.

Kim Davis: Solution number two was to determine the annual loss at a later date, and I think that is the option that the committee has been recommending.

Gary Alexander: You are asking whether you take two more quarters of data to use in the calculation?

Don Gutmann: No. We want to allow two more quarters of time to get all the necessary data we need before we try to determine the annual losses.

Jim Turpie: Are you saying you need more than six months? How long do you need – a year?

Kim Davis: We need to see if there are predecessors-successors for businesses that change. We have a list of items that we need to adjust.

David Layden: You will be looking to see if there are any changes in the data that will affect the mitigation amount, correct?

Kim Davis: For instance, if there is an annexation that takes place partway through the year, we have to look at the location codes. The adjustments are to our programming to make sure we have that business for the origin-based and destination-based periods.

David Layden: You will be looking at it to see if there are any changes in the stores or the vendors who are paying the tax?

Kim Davis: Yes.

Bob Nachlinger: I thought we had already made these decisions. What would be the Department's recommendation on how long it would take?

Don Gutmann: We haven't talked about it yet. We are asking for the flexibility to have more time.

Glen Lee: The time we need depends on how the implementation is going. If the compliance is fairly good, it could be that it wouldn't take more than six months to wrap up that fiscal year. On the other hand, if every quarter you are finding anomalies, you might need more time to figure those out. I think it is too early to say we will set how much time is needed in stone.

Miki Gearhart: We will change the committee recommendation in the paper to say at a later date and we will revisit this later.

Jim Turpie: I guess I am okay with that. The first sentence is confusing. The only problem about leaving it undetermined, whether it is six months or nine months, is that telling people when we will get that determined amount is important to the jurisdictions. We could say we are shooting for six months but leave it open that it would be longer if the committee determines it needs to be longer.

Dean Carlson: I don't think the risk here is huge for budget planning.

Jim Turpie: Aren't seasonal differences going to be in here? Those will be smoothed out over the four quarters?

Sheila Gall: I agree that July would be a good time to get the data because that is when the budget is determined.

Kim Davis: Issue 02-01 is what are the reasons for adjusting data? Each reason has a place holder to add more items. This document is to capture the reasons why the data would be adjusted.

Miki Gearhart: This document isn't saying that we would make adjustments for these reasons, just that we might, correct?

Kim Davis: Yes.

Issue 02-02 is should adjustments to the data be made? This document is only talking about the data, not the actual payments. That is a separate document. Read through the committee recommendations to see if we have captured them correctly. We do also have a minority recommendation on this paper – please read that recommendation as well.

Julie Murray: Does item number 4 refer to the data and not the funds?

Kim Davis: Yes.

Julie Murray: Can you reference that for the future?

Kim Davis: We will say for how payments are handled, see Issue Paper 02-03.

Julie Murray: Are we really going to try to set a threshold? I think this should be looked at. I agree that we should look at some of the data that has come in to see the magnitude of the changes. I think we have agreed that we are going to take every correction in the first year because we will be doing the true-up.

Miki Gearhart: I am not sure we agreed that we would investigate everything in the first year. We need to wait and see how many corrections come to us from the jurisdictions. There might need to be some kind of threshold.

Lorrie Brown: Didn't we say that decision would be made by the committee?

Miki Gearhart: Yes.

Julie Murray: I think people are going to feel shafted if they're not included because of the threshold. Maybe we should put a very low threshold.

Miki Gearhart: We will add this item to next month's agenda.

Julie Murray: I think it will really come into play with the second payment. You will see changes business to business and the jurisdictions are going to want to investigate those.

Kim Davis: Was the committee coming up with five percent of the total for the local jurisdiction for some of them?

Valerie Torres: For each individual document there is a threshold. They're not all the same.

Jim Turpie: Under Possible Solutions, in 4B you're saying it <u>will</u> require more resources than are available. Should it be <u>may</u> require?

Miki Gearhart: We will change the word to may.

Kim Davis: Issue 02-03 is when should adjustments to mitigation distributions be made? The Department will not make retroactive adjustments to the distributions. We do have a minority recommendation on this issue.

Jim Turpie: Under Possible Solutions, item 2C says there will be no adjustments to the current distributions. Should that be the prior distributions? I thought we had agreed to prior.

Kim Davis: Yes, it should be prior.

Bob Nachlinger: There was a difference between the period until mitigation is determined and after that payment at which point you weren't going to adjust the data anymore.

Kim Davis: The law specifically states that once a year adjustments can be made.

Miki Gearhart: I think we said we would have an annual meeting and discuss adjustments then.

Jim Turpie: At the next meeting could you look at if we give six months to correct the annual data, is the first meeting six months after that and then twelve months out?

Kim Davis: After the annual loss is determined the committee can determine when the meeting will be, but the law says it shall be by December 31.

Julie Murray: Our intention was to give jurisdictions the option if there is new information they can bring it forward, but that goes back to my issue about a threshold. We don't think we want to look at everything at that annual meeting.

Sheila Gall: For clarification – the year that you are going to split up into four starts from the day of the annual meeting, correct?

Miki Gearhart: It depends if we use the extra six months to determine what the loss is, what impacts that might have, whether we set it after the additional six months and then six months after that.

Kim Davis: In order to get the calendar year 2009 returns in that would push it to April, so we are looking at July 2010.

Miki Gearhart: We will plan for this discussion next time.

Bob Nachlinger: Put on there that there is an issue about when the adjustments for voluntary compliance are made.

Miki Gearhart: We will talk about that, too.

Janet Shimabukuro: It is important to remember annuals only file each calendar year in January. Because 2008 is messed up, the full years are only in calendar year 2007 and calendar year 2009. Calendar year 2009 tax returns are not due until January 2010.

Don Gutmann: And will not be keyed and corrected until April 2010.

Janet Shimabukuro: Correct – to get all the data for calendar year 2009.

Kim Davis: We will try to write this up that this is before the annual losses are determined. We will write another paper about after the annual losses are determined. I also have that we need to do something about the voluntary compliance revenue.

New issues

Aggregating local tax component gains and losses to calculate mitigation payment

Miki Gearhart: We couldn't aggregate the gains and losses for each component of the tax because if we aggregate them, someone is getting money and we don't know how to divide up that revenue. We would like to go back and say we want to aggregate to determine that end mitigation payment. In the sourcing study some were aggregated and some were not. If we don't aggregate any of them, it is possible that the mitigation is much more than we planned for and then we would have to prorate.

Julie Murray: This goes back to the question of how we can use the money.

Miki Gearhart: We addressed this earlier. We said we don't think we can tell them how to use the money.

Some taxes weren't in the sourcing study. Which local tax components should we aggregate and which ones not aggregate?

Julie Murray: I thought mental health was a separate one.

Miki Gearhart: Some taxes cannot be aggregated because they are distributed based on population.

Kim Davis: This decision becomes important for the first mitigation payment on December 31.

Miki Gearhart: The transit tax is a separate entity, so you wouldn't aggregate it with anything. The rental car tax wasn't in the sourcing study, and we don't think it will be much of an impact.

Kim Davis: But there might be some impact because of changes in the industry. Instead of the person picking up the car, the business can now deliver the car to you.

Julie Murray: The bottom line is that all of these taxes are county imposed – the ones you are talking about aggregating. If you aggregate or not, the numbers will still be the same. Which of these taxes are not based on the whole county tax base? If you aggregate them all together, there is a tertiary impact. How we deal with the plusses and minuses of the city will impact the county.

Miki Gearhart: I think I would disagree with the county. There are actually fourteen counties that are negatively impacted.

Kim Davis: If the cities in the county have negatives which are larger than the county positive, the county is going to get a negative for the criminal justice tax. The way the criminal justice distribution works is you take the total criminal justice tax for the county and all the cities within it. Ten percent goes to the county. The remaining 90 percent is distributed based on population.

Because the cities had a greater loss, by the time it is distributed the county will have a loss for criminal justice.

Julie Murray: I am concerned that the information we gave out is different from the implementation.

Miki Gearhart: That's why we decided to do it as it says in the sourcing study.

You are suggesting that we move King County food and beverage, public safety, mental health, and Metro parks to the "do not aggregate" column.

Julie Murray: If they are bonded, do not aggregate. I would rather go with the information that we put out and the expectations of the jurisdictions.

Sheila Gall: Some of the taxes were added after the sourcing study was done in 2005.

Miki Gearhart: Is there a reason to aggregate them here if they weren't aggregated in the sourcing study?

Janetta Taylor: The county does get the money for the Metro parks. We can deal with it however you want. We will make it work.

Bob Nachlinger: Wouldn't it make more sense to aggregate all the taxes that have the same base?

Miki Gearhart: The actual tax base is the same for the components.

Sheila Gall: I think of it in terms of the jurisdiction's budget. On all the other things they are General Fund dollars and get thrown in a pot. It is a General Fund source that they are operating on, and we would want them to be able to continue to operate their county.

Miki Gearhart: Is it okay to aggregate rural county?

Julie Murray: I am okay with aggregating rural county. My members are going to go back to the study – they are saying these are the numbers I have.

Sheila Gall: I agree with Julie to follow the sourcing study.

Julie Murray: But the King County one needs to be separate because it is bonded. Do not aggregate Metro parks.

Jim Turpie: So everything under criminal justice in the "Aggregate" column moves to the "Do Not Aggregate" column except for rural counties.

Julie Murray: Public safety may go by the wayside by attrition.

Rick Peterson: Will you make an adjustment for those that expire?

Julie Murray: Yes, because it would be a new tax.

Rick Peterson: If they are being mitigated for it and the tax goes away, will their mitigation payment be reduced?

Julie Murray: Yes.

Gary Alexander: Are you indicating, then, by not aggregating when they get mitigation dollars they will be tied to the tax and will not be able to be used for other purposes?

Julie Murray: If we are aggregating, we can put the money where we need it.

Miki Gearhart: If not aggregated, are they tied to using the funds for that purpose?

Janetta Taylor: But the state auditor might come along and say you can't do that.

Miki Gearhart: For "Not Yet Imposed" we need to talk about the voluntary compliance revenue calculation. Only those taxes that are imposed before the end of the fiscal year are included.

If there is a new tax that is imposed we use the current rate, so if the rates change and go up, you use the higher rate. If there is a new tax added, that would also be included in the voluntary compliance offset.

Kim Davis: The law says we have to offset the gain or loss by the voluntary compliance revenues. We use the current rate if a new tax is imposed.

Bob Nachlinger: If I am getting mitigation dollars and I annex an area, I would get less mitigation dollars?

Don Gutmann: If you have voluntary compliance revenues – yes.

For voluntary compliance, it has to be an SST account. For an annexation we will take the taxable retail sales by location code for that SST account. When we do the mitigation portion we will look at the gains and losses and multiply by the rate on June 30, 2008. That rate never changes. At the end of the quarter I will take the taxable retail sales that occurred in Kent and multiply by the current rate for your city. If your rate changes, we will use the current rate.

Bob Nachlinger: If I have an annexation that is more than 20,000, my mitigation that I receive is going to go down by one-fourth or $5,000? The new rate will be 2 percent higher?

Don Gutmann: Yes.

Bob Nachlinger: That's a real disincentive to do an annexation.

Miki Gearhart: It is a very small piece of the voluntary compliance, but it needs to be included.

David Layden: If I already have a tax set up for a specific amount and I have reached that limit, I am reducing my sales tax rate. How does that factor into the mitigation?

Miki Gearhart: We don't have to worry about the taxes that turn on and off for the gains and losses. You would have a lower rate used for voluntary compliance for the period when you don't get annexation dollars.

David Layden: That would increase the amount of mitigation I get.

Don Gutmann: If everything else is constant, it would.

Sheila Gall: So when the public safety tax expires in two years, the voluntary compliance would go down because you would use the current tax rate.

Julie Murray: The other issue, though, is a question of does it then offset the jurisdictions that are being mitigated? Like a transportation benefit district – it is a separate entity. Do we even look at them as being a separate entity like the PFD versus being an entity that has mitigation dollars. If King County chooses to do the sales tax, is King County an entity that now has money that can be offset?

Miki Gearhart: If it is a separate district, we are treating it as a separate entity.

Jim Turpie: An example of the mitigation would be very helpful.

Julie Murray: Is it required that those revenues be used for the bonded facilities?

Miki Gearhart: There is no impact on the way they use the funds, but there would be an offset to the voluntary compliance.

Lorrie Brown: Gain/loss – if one of these taxes goes away, what happens? Does it continue to get mitigated or not?

Don Gutmann: If it went away sometime in the future, it would be mitigated for.

Miki Gearhart: We will put that on as an agenda topic for the next meeting.

Lorrie Brown: If the rate goes down, it is the same thing. If the rate goes up, we don't increase the mitigation.

<u>What should the minimum threshold be for mitigation payments? (Current threshold is $25 for local tax distributions)</u>

Don Gutmann: Should there be a threshold for payments?

Janetta Taylor: The $25 amount is not right. We distribute to the penny for local taxes. All distributions are at least $100 so we never have sent a check for less than that.

Julie Murray: I am fine with $25.

Miki Gearhart: Are we going to get negative feedback?

Sheila Gall: You're going to distribute mitigation amounts to the penny but anything under $25 you will not distribute?

Don Gutmann: Correct. We will change the wording.

Miki Gearhart: Does everyone agree on the $25?

Julie Murray: Yes.

<u>Internet jurisdiction detail</u>

Don Gutmann: There will be one file that shows all the detail that will be available to anyone who goes to our web site. You won't see any information unless the jurisdiction has at least three taxpayers who have been impacted by the change in sourcing.

Kim Davis: They would also have to have at least three taxpayers on the voluntary compliance side.

Don Gutmann: If there are less than three businesses, you will see a D.

Miki Gearhart: This is the format that will be on the Internet.

Julie Murray: Is there a way to see the aggregated and nonaggregated and then I can click on 911 and then I can see the 911 data? I would rather not have people need to hunt to find the information.

Kim Davis: There will be a separate table for each tax. You would have the mitigation amount, then the aggregated and nonaggregated amounts, then the separate taxes. What does the committee think would be the easiest way for jurisdictions to find their information?

Julie Murray: I think that people want to know what other people have gotten in total. It would be nice to have a pdf file with the totals by alpha. If going by location code, they can see where the loss is occurring.

Miki Gearhart: Because we have the special districts it is not by location code. If we do it alpha, it might be easier to find the information.

Julie Murray: People are going to want to see the components of the aggregated amounts so they can understand where the money is moving.

Kim Davis: So you want this to be similar to the sourcing study?

Julie Murray: The criminal justice and public safety ones were by location code so you could see the separate entities. Do only the bottom line by alpha.

Rick Peterson: Put the location code in so we can do it however we want.

Jim Turpie: What was your intent for the transit districts? Generally we don't get information by our location codes and we would prefer that it is for the whole district and not by location code.

Miki Gearhart: Should we make that for all special districts or just transit?

Jim Turpie: I can't ask for them.

Miki Gearhart: Matt, make all the special districts consistent.

Lorrie Brown: I have a suggestion on column headings. The last column should say something like gain or loss after voluntary compliance adjustment. The first column should say net gain or loss due to change to destination-based sales tax.

Rick Peterson: If you show the detail, you are going to get in trouble.

Kim Davis: We will only be showing losses, so if there is no loss they won't have a number there.

Rick Peterson: So the first column is net losses and the people who get this are only the ones who get a check.

Kim Davis: On the detail the reason we would show the gain or loss is because it is aggregated.

Lorrie Brown: Just aggregate at the same level.

Julie Murray: I think the people want the same detail as in the sourcing study. We did provide it by location code and alpha.

Rick Peterson: This document is supposed to be available to everybody. It is a summary of the checks you have written.

Kim Davis: On these sheets we should rely on how we did it on the sourcing study. If they were aggregated, we will show the combined total as one sheet, and the others that were not aggregated would be a separate sheet.

Bob Nachlinger: It will only be the people who receive a check.

Rick Peterson: I was talking about people on this list that will not get a check. If you fill out these columns you are implying that the amount you put down here is an estimate of the gain. So only the people who get checks should be on the list. Everyone will have the detail for their own jurisdiction.

Kim Davis: What about what Julie said that people want to see all of the cities and counties?

Don Gutmann: For the first four quarters we will have a file of the just the gainers.

Valerie Torres: We could do all for the first year and then just the gainers after that.

Julie Murray: There needs to be some information that tells the gainers that they have gained.

Miki Gearhart: We already have a list of October agenda items.

Don Gutmann: What we are going to show at the next meeting will be preliminary numbers and might not have the annexation corrections.