1ST ANNUAL WA STATE TAX CONFERENCE
AGENDA

Day 1, July 15, 2019:

8:00 – 8:30: Registration

8:30 – 8:45: Welcome

8:45 – 10:15:
- “WE’RE FROM THE DEPARTMENT OF REVENUE AND WE’RE HERE TO HELP” – THE AUDIT PROCESS IN WASHINGTON STATE
  - Presenters:
    - Mike Chertude, Field Audit Manager, WA Department of Revenue, Computer-Assisted Audit Program
    - Sarah Correia, Senior Manager, Moss Adams
    - Ken Krous, Assistant Director, WA Department of Revenue, Audit Division
    - Rachel Roberson, Senior Manager, Bernston Porter & Company, PLLC (Invited)

  - This panel will discuss the overall audit process at the WA Department of Revenue, including the following topics:
    - How has the Department’s new ATLAS computer system affected the audit process?
    - What taxpayer records are needed in an audit? How does an auditor determine which records to ask for? Does the auditor consider unique taxpayer situations when requesting records?
    - What are “managed audits?”
    - How does the Department’s voluntary disclosure program work?
    - When does the Department use sampling techniques in an audit? How does it conduct sampling?
    - When does an auditor seek policy advice in an audit? How does that process work?

10:15 – 10:45: Break

10:45 – 12:00:
- NAVIGATING TREACHEROUS WATERS – THE WA DEPARTMENT OF REVENUE POLICY PROCESS
  - Presenters:
    - Gil Brewer, Senior Assistant Director of Tax Policy, WA Department of Revenue
    - Nicole Bryant, SALT Indirect Tax Director, PricewaterhouseCoopers LLP
    - Tim Jennrich, Assistant Director, WA Department of Revenue, Interpretations & Technical Advice Division
    - Bob Mahon, Chair, Tax, Benefits & Compensation Practice, Perkins Coie Law Firm

  - This panel will discuss the overall policy/interpretive process employed at DOR from the Departmental and Taxpayer perspectives, including the following topics:
    - General description of the Department’s policy decision-making process.
Where are the friction points in the current process?
What can taxpayer representatives do to better influence policy decisions?
Whatever happened to settlements at the Department?
What can we do to improve the process?

12:00 – 1:30: Working Lunch
- POINT-COUNTERPOINT ON STATE TAXES
  - Presenters:
    - Jeff Friedman, Partner, Eversheds-Sutherland Law Firm
    - Helen Hecht, General Counsel, Multistate Tax Commission
  - Helen Hecht and Jeff Friedman are two of the most knowledgeable and respected state tax experts in the nation. Moreover, both are dynamic and entertaining speakers who don’t shy away from difficult, controversial tax issues. Both will be challenged with questions on major pending state tax issues for their analysis and reactions.

1:30 – 3:00:
- WHAT JUST HAPPENED TO ME? A RECAP OF THE 2019 LEGISLATIVE SESSION.
  - Presenters:
    - David Duvall, Legislative & External Affairs Liaison, WA Department of Revenue
    - Clay Hill, Government Affairs Director, Tax & Fiscal Policy, Association of Washington Businesses
  - David Duvall and Clay Hill each represent their respective organizations before the WA State Legislature. This legislative session has the potential to produce some of the most far-reaching legislative changes in Washington’s tax system in years. This discussion will explore those changes and provide an insider’s perspective behind the Legislature’s decisions.

3:00 – 3:30: Break

3:30 – 5:00:
- TAKING A WALK ON THE WILD SIDE – SEEING TAX ISSUES FROM THE OTHER SIDE
  - Facilitated by Alyson Fouts, Cyndee Baugh and Morgan Montes, WA Department of Revenue
  - Presenters:
    - Gil Brewer, Senior Assistant Director of Tax Policy, WA Department of Revenue
    - Mark Hugh, Principal, Mark Hugh PLLC (Invited)
    - Rachel Le Mieux, State & Local Tax Partner, Peterson Sullivan LLP
    - John Ryser, Senior Assistant Director of Operations, WA Department of Revenue
  - This session will provide an opportunity to hear from a panel of Departmental and private sector leaders on the inherent conflicts and shared goals we face in our day-to-day tax work. Departmental employees and taxpayer representatives will both get the chance to see how “the other side” views these conflicts and how our perceptions can differ from reality. This panel discussion will be followed up with small table groups working together to brainstorm
ideas to improve trust and communication and remove barriers. Facilitators will be available to assist the small group discussions.

Sometime later:
- RECEPTION AND DINNER

**Day 2, July 16, 2019:**

8:30 – 10:00:
- TWO FOR ONE -- HOT TAX ISSUES

This session will present separate in-depth examinations into two timely and controversial state tax issues in Washington.

1. **COUNTING ONES AND ZEROS – TOPICS IN DIGITAL PRODUCTS TAXATION**

   - Presenters:
     - Caleb Allen, Tax Policy Specialist, WA Department of Revenue
     - Kristin Bosworth, State & Local Tax Manager, Amazon.com
     - Carolynn Iafrate Kranz, Partner, Kranz & Associates PLLC

   - Washington is on the vanguard of taxation of digital goods and services, adopting a broad imposition on digital products and then carving out discrete exclusions. The current framework was developed and adopted after an intensive study conducted by the State and including the input of members of the business community, the Department, and academics. The State and taxpayers have learned much from this experience and this area of taxation continues to raise a multitude of interesting, challenging, and often novel questions. This 45-minute segment will touch on selected topics in the area of digital goods and services. You will get the perspectives of both the Department and members of the private sector, including state and multistate perspectives.

2. **SPLITTING THE BABY – SINGLE FACTOR APPORTIONMENT**

   - Presenters:
     - Wan Chen, Tax Policy Specialist, WA Department of Revenue
     - Bob Heller, Shareholder, Clark Nuber P.S.
     - Darcy Kooiker, Principal, Ryan LLC

   - In 2010, Washington adopted single factor apportionment for many of its gross receipts tax classifications. Under single factor apportionment in Washington, gross receipts are generally attributed to where the benefit is received. Since adoption and initial implementation, many challenges have been identified, significant work has been done, and many hard lessons have been learned. This 45-minute segment explores where Washington has been in this area, where it might be going, and highlights pending hot topics. You will get the perspectives of both the Department and members of the private sector who have been in the trenches on these issues.

10:00 – 10:30: Break
10:30 – 12:00:

- **GRASPING THE LAST STRAW – LITIGATING TAX ISSUES IN WASHINGTON STATE**
  
  - Moderated by Mary Barrett, Assistant Director, WA Department of Revenue, Administrative Review & Hearings Division
  
  - Presenters:
    - Kate Adams, Executive Director, WA State Board of Tax Appeals
    - Cam Comfort, Senior Assistant Attorney General, Revenue & Finance Division, WA Attorney General’s Office
    - Brett Durbin, Counsel to the Firm, Lane Powell Law Firm
  
  - This panel will discuss recent trends in state tax litigation in Washington from the Departmental, Taxpayer, and Tax Tribunal perspectives, including the following topics:
    - Overview of tax litigation.
    - What are the most significant challenges when litigating a state tax case?
    - Is the litigation process broken?
    - Why has the Department been so successful in recent State appellate cases?
    - What has been done recently to make the Board of Tax Appeals more effective? Have those changes worked?
    - What more can be done to improve the process?
    - How do settlements fit into litigation?

12:00 – 1:30: Working Lunch

- **VIEW FROM THE TOP – THE DIRECTOR’S PERSPECTIVE**
  
  - Vikki Smith, Director of the WA Department of Revenue, describes the major challenges she sees from the Director’s perspective.