



June 22, 2022

Ms. Helen Hecht
Uniformity Counsel
Multistate Tax Commission
444 North Capitol Street, Suite 425
Washington, DC 20001

Mr. William C. Barber
Counsel
Multistate Tax Commission
444 North Capitol Street, Suite 425
Washington, DC 20001

RE: Longer Comment Period for Draft Model Act on the [Treatment of Investment Partnership Income](#)

Dear Ms. Hecht and Mr. Barber:

The American Institute of CPAs (AICPA) is requesting the Multistate Tax Commission (MTC) provide a longer comment period on the [draft model act on treatment of investment partnership income](#) (“draft model act”). The AICPA’s State and Local Tax Technical Resource Panel is monitoring the progress on the MTC’s [Project on State Taxation of Partnerships](#) (“work group”), including the June 8, 2022 draft model act.

On Monday June 13, 2022, during the work group’s first public hearing on the draft model act, several initial concerns were raised about the draft. Most importantly, there was an expressed need for adequate time for state representatives, practitioners and the investment partnership community to study the draft, raise questions, and possibly make recommendations for change. At the end of the hearing, however, we were surprised to hear the Chair of the work group propose a vote to approve the draft model act at the very next meeting, less than two weeks from now, on June 27, 2022.

Our members and other practitioners are just beginning to study the draft model act and to consider its potential tax and business implications. A full and fair discussion of the draft model act and consideration of suggested changes would benefit the process and lend credibility to the final version of the model act.

To that end, we request that any such vote be postponed until at least the end of August 2022, if not later in the year, and that several public hearings be held in the meantime. Both our group and the American Bar Association Tax Section’s State and Local Tax Committee plan to offer comments in due time, and we expect the hedge fund industry, once they learn of the draft model act, may also wish to become involved.

Thank you for your consideration of our request. Please contact the undersigned should you have any questions.

The AICPA is the world’s largest member association representing the CPA profession, with more than 428,000 members in the United States and worldwide, and a history of serving the public

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Page 2 of 2

interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of our request and welcome the opportunity to discuss this request and the draft model act further. If you have any questions, please contact Mo Bell-Jacobs, Chair, AICPA State and Local Tax Technical Resource Panel, at (202) 370-8175 or Mo.Bell-Jacobs@rsmus.com; Eileen Sherr, AICPA Director – Tax Policy & Advocacy, at (202) 434-9256 or Eileen.Sherr@aicpa-cima.com; or me at (601) 326-7119 or JanLewis@HaddoxReid.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan Lewis". The signature is fluid and cursive, with a large initial "J" and "L".

Jan Lewis, CPA
Chair, AICPA Tax Executive Committee

cc: Mr. Gregory S. Matson, Executive Director, Multistate Tax Commission