

## Advocacy & NC CPA PAC Update

Board of Directors Meeting | January 15, 2020 | Conference Call

### Power of Attorney Registration

On December 6, the NCACPA Taxation Committee and Tax Section of the NC Bar Association held their joint annual meeting with leaders of the NC Department of Revenue, including Secretary Ronald Penny and COO/CIO Dave Roseberry. This meeting gives our two organizations the opportunity to network and hear updates from directors of several of the Department's divisions. The DoR provided us a codification of answers to questions posed by the membership in late 2019, which was posted on Connect and to our website on January 6, 2020.

With respect to the POA issue, the Department is making headway with implementing a new mainframe and DocuSign software for registering POAs. NCACPA's advocacy work in 2019 resulted in passage of a provision (in Senate Bill 557: *Various Finance Law Changes*) requiring the Department to implement a new system to register POAs.

The Department will give a demo of the new registration process to the General Assembly in January, and NCACPA will work to secure additional funding from the legislature to ensure the success and completion of this effort. At the appropriate point, the DoR will recruit NCACPA members to help with feedback and quality assurance testing.

### Market-Based Sourcing

NCACPA championed the adoption of market-based sourcing for multi-state taxpayers in allocating income tax on services and intangibles, which is necessary to allow North Carolina to remain competitive in attracting infrastructure and employer investments in the state. Also under Senate Bill 557, the NC General Assembly enacted market-based sourcing for apportioning the corporate income tax and the franchise tax net worth base, effective for taxable years beginning on or after January 1, 2020. Under the new market-based sourcing rules, receipts from intangibles will be sourced based on where the intangible is used.

### Federal Issues

On December 20, 2019, President Trump signed the Further Consolidated Appropriations Act of 2020. The Act provides relief for those affected by all Presidentially Declared Disasters during the period beginning January 1, 2018 and ending 60 days after December 20, 2019 and includes special tax benefits for victims of casualty losses resulting from Hurricanes Florence and Michael.

When NCACPA met with Senator Burr and Senator Tillis this past May on Capitol Hill, they assured us they were evaluating the best vehicles to pass disaster relief legislation. The two senators formed a bipartisan coalition in September 2019 that championed the relief provisions found in the Consolidated Appropriations Act.

**NC CPA Political Action Committee** *(Total as of Jan. 6, 2020: **\$21,402.80**)*

The PAC surpassed its 2019 fundraising goal of \$20,000—thank you for 100% participation from the NCACPA Board of Directors!

In December 2019, the NCACPA Advocacy Advisory Council approved contributions to NC General Assembly leaders, as advised by NCACPA legislative counsel Dave Horne. Five contributions of \$1,000 each were given to Sen. Phil Berger, Sen. Dan Blue, Sen. Paul Newton, Speaker Tim Moore, and Representative Darren Jackson. We have relationships with each of these legislators, who also have a proven record of supporting NCACPA's priorities. As you will recall, Sen. Newton, Sen. Blue, and Speaker Moore participated in our advocacy panel at the NCACPA Leadership Summit in 2020.

Our Advocacy Advisory Council met on January 3, 2020 to discuss a few key items, including establishment of a more formalized process for identifying and monitoring legislative priorities in collaboration with a subgroup of NCACPA's Taxation Committee. As it relates to the PAC, importantly, guidelines were codified to help the Advisory Council identify candidates to receive PAC contributions. Those guidelines are included in the materials for this meeting.



**NC CPA Political Action Committee**  
Contribution Guidelines

Factors for candidate consideration:

- Integrity of the candidate
- Alignment of candidate views with NCACPA policy
- Leadership positions held by the candidate and the ability to positively influence Association priorities
- Knowledge about issues of concern to NCACPA
- Candidate's need for campaign fundraising, including obligations to candidate caucuses

The NCACPA Board of Directors retains the flexibility to make decisions at times most appropriate depending on the legislative and election calendars.

*Last Updated/Approved: January 3, 2020 - NCACPA Advocacy Advisory Council Meeting*