

Income/Franchise:

Federal: Multi-State Worker Tax Fairness Bill Has Been Introduced in US Senate

S. 1887, introduced in US Senate 5/27/21. Pending legislation known as the “Multi-State Worker Tax Fairness Act of 2021” has been introduced in the US Senate which, if enacted, would “limit the extent to which States may tax the compensation earned by nonresident telecommuters and other multi-State workers.” Under this pending legislation, “in applying its income tax laws to the compensation of a nonresident individual, a State may deem such nonresident individual to be present in or working in such State for any period of time only if such nonresident individual is physically present in such State for such period,” and “such State may not impose non-resident income taxes on such compensation with respect to any period of time when such nonresident individual is physically present in another State.” The pending legislation, if enacted, essentially would deny a state from using a “convenience of the employer”-type test to impose tax on the portion of income that nonresident individuals earn when they are physically working for their employers outside that state. Similar legislation was introduced in the US House of Representatives in 2020 [see H.R. 7968, introduced in US House of Representatives 8/7/20, for details]. Please contact us with any questions.

URL: <https://www.congress.gov/bill/117th-congress/senate-bill/1887/>

URL: <https://www.congress.gov/bill/116th-congress/house-bill/7968/titles?q=%7B%22search%22%3A%5B%22hr7968%22%5D%7D&r=1&s=1>

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