

Income/Franchise:

Vermont: Updated Guidance on Effect of COVID-19 Pandemic-Related Telecommuting on Withholding

Coronavirus (COVID-19) Update: Information for Taxpayers, Vt. Dept. of Taxes (updated 5/26/21). Responding to the COVID-19 pandemic, the Vermont Department of Taxes (Department) continues to explain that “if you are a non-resident but you are temporarily living and working in Vermont, you have an obligation to pay Vermont income taxes on the income earned while you were living and performing work in Vermont,” – this applies “even if you were in Vermont due to the COVID-19 pandemic, and regardless of whether your employer is located inside or outside of Vermont.” For businesses having remote workers located in Vermont on a temporary basis, the Department now suggests that they “may wish to discuss a change to the employee’s withholding state if the employee intends to be here for an extended time period,” and announces that “Vermont is currently updating guidance for out of state employers with employees working temporarily in Vermont.” The Department continues to caution that workers who have “moved to Vermont permanently and make Vermont their domicile will need to have their withholding location changed.” Moreover, the Department continues to provide some answers to frequently asked questions concerning Vermont residency and domicile, Vermont “second homes,” and factual scenarios involving Massachusetts, New Hampshire, and New York. Please contact us with any questions.

URL: <https://tax.vermont.gov/coronavirus#temporarily>

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