

Income/Franchise:

Louisiana: New Rule Reflects “Mobile Workforce” Law Imposing 25-Day Threshold for Nonresident Withholding

Reg. section 61:l.1923, La. Dept. of Rev. (2/20/23). The Louisiana Department of Revenue adopted a rule reflecting legislation enacted in 2021 [see S.B. 157 (2021) / Act 383 and *State Tax Matters*, Issue 2021-25, for more details on this 2021 legislation] that generally exempts nonresident employees from a Louisiana income tax liability if they perform employment duties in Louisiana for 25 or fewer days during the calendar year, and correspondingly exempts their employers from a state income tax withholding requirement for such employees. The rule indicates that if a nonresident employee performs employment related duties in Louisiana for a period in excess of 25 days in a calendar year, the employer must withhold and remit tax to Louisiana for the entire year, including the first 25 days. Please contact us with any questions.

URL: <https://www.doa.la.gov/media/u5lccp23/2302.pdf>

URL: <https://legis.la.gov/legis/BillInfo.aspx?s=21RS&b=SB157&sbi=y>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210625_9.html

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