



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

January 27, 2020

Dear Congressmen:

I write **urging you to pass the Mobile Workforce State Income Tax Simplification Act of 2020, H.R. 5674.**

This legislation establishes a nationwide physical presence standard for employee income tax reporting, which will provide substantial relief to taxpayers and businesses across the country. It was introduced in the House by Congressmen Steve Chabot and Hank Johnson and in the Senate by Senators John Thune and Sherrod Brown.

As there is currently no uniform standard for collecting state income taxes from out-of-state workers, businesses and employees are forced to deal with a confusing and sometimes duplicative system of reporting requirements. There are 41 states that levy a state income tax, each with a different system of reporting requirements that vary based on factors such as the amount of income earned and the amount of time spent in the state.

This is especially difficult for those able to offer support in the event of a natural disaster. People with specialized skills—doctors, nurses, electricians, arborists, decontamination crews, etc.—are in high demand following these events. These skills are not bound by location; they can mobilize to accelerate healing and repairs for a community after a disaster.

Individuals who work across state lines for any period of time in a year may be required to file income taxes in their home state as well as any other states in which they earned income. Although tax credits issued in the home state typically prevent double taxation, the presence of 41 different state income tax reporting systems provides a burdensome series of complications for both businesses and workers.

The Mobile Workforce State Income Tax Simplification Act of 2020 addresses these problems by establishing a uniform standard, under which workers and businesses would only be required to file and pay income tax after an employee has worked more than 30 days in a state. The legislation excludes three categories of highly paid, highly mobile workers, including professional athletes, professional entertainers, and certain prominent public officials.

The Mobile Workforce State Income Tax Simplification Act of 2020 simplifies tax compliance for businesses and workers, allows workers to keep more of the income they earn, and minimizes bureaucratic restraints on worker freedom.

I encourage Congress to support workers by supporting The Mobile Workforce State Income Tax Simplification Act of 2020. If you should have any questions regarding this issue please contact me, or Katie McAuliffe at kmcauliffe@atr.org or 202-785-0266.

Onward,

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