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In a rare display of bipartisanship, members of Congress are getting behind legislation that would simplify the tax reporting for employees who cross state lines.

On March 7, 2017, the Mobile Workforce State Income Tax Simplification Act was reintroduced in Congress via two companion bills. The House bill (H.R. 1393) was introduced by Representatives Mike Bishop (R-MI) and Hank Johnson (D-GA). On the same day, Senators John Thune (R-SD) and Sherrod Brown (D-OH) introduced the Senate bill (S. 540). H.R. 1393 was introduced with 22 original co-sponsors, while S. 540 had 18 original co-sponsors on board.

The 2016 version of the bill passed in the House late last summer, but died on the vine in the Senate.

“This important bipartisan effort streamlines the tax code, while reflecting the needs of a various industries throughout the country,” said Representative Johnson in a press release. “Simplifying our tax system in this manner will help Americans who work across multiple jurisdictions from paying local or state taxes in places other than where they live or work for an extended period of time.”

Our state income tax structure is too complicated and costly for today's workforce,” echoed Representative Bishop. “Right now, workers who must travel out of state and their respective employers face dozens of onerous reporting requirements, many of which depend on varying length of travel and income levels. The goal of our bipartisan legislation is to create one simplified system for Americans to do their state income taxes, eliminating the burdensome paperwork and reducing compliance costs for everyone involved. Our Mobile Workforce bill passed unanimously in the

House last Congress, and I am optimistic we can get even more done in today's tax

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In addition, the proposed legislation would not have any impact on reciprocity agreements currently existing between individual states. For example, a Virginia resident who works in Maryland is subject to tax only in Virginia, and vice versa.

Certainly, tax practitioners would welcome a simplification of the rules. As it did last year, the American Institute of Certified Professional Accountants (AICPA) has strongly endorsed the proposals. "This legislation strikes an equitable balance, and we urge Congress to take swift action so the bill can become law and relieve the burden imposed on countless U.S. employers and employees by inconsistent state tax laws," said Barry Melancon, president and CEO of the AICPA.

There's seems to be more impetus in Congress for tax simplification this year. We will keep you posted on any significant developments.

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