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an employee must work in the state before needing to file a non-resident tax return. Requirements run the gamut from one day to 60 days, and in some cases, taxation ...

**Jon Baron** • Nov. 19, 2015



A bi-partisan bill aimed at simplifying state income tax requirements for employees who work multiple days per year outside their state of residence is gaining momentum in Congress. The passage of this bill, known as the [Mobile Workforce State Income Tax Simplification Act of 2015](#), would provide long-overdue relief for employers and employees facing inconsistent state income tax and withholding rules by prohibiting states from requiring most employees to file a non-resident tax return

unless the employee is present and performing employment duties in the state for

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The proposal also extends the same 30-day grace period to withholding requirements, thus significantly simplifying the payroll process for employers. To demonstrate the tangled web that these numerous and varied state requirements present for employers, one manufacturer testified before the Judiciary Committee earlier this year that it had to issue 50 W-2's for a single employee in a single year. So, not only does this bill eliminate the compliance burden for individuals, but also for businesses. Longer term, these time and cost savings for employers, taxpayers and states could potentially fuel business investment, interstate commerce and increase worker productivity.

The bill may also generate clean-up for some states that have city returns that potentially have similar issues. Cities like New York, Detroit, etc. may follow suit for consistency.

The American Payroll Association (APA) has backed this bill for some time and the American Institute of CPAs (AICPA) has recently lent their support as well. The bill was passed by the House Judiciary Committee in June. The hope is that it can be voted on and passed by the Senate and signed into law in 2016, relieving those affected for the next calendar year. Stay tuned.

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**Jon Baron** joined the Tax & Accounting business of Thomson Reuters in 1992. Prior to his current position as Managing Director of the Professional segment, Jon held the positions of President of Professional Software & Services, and Vice President of Development, where he was responsible for the design and development of all Professional products and services. Jon has three decades of technology development and management experience. Jon holds a BBA in Accounting from Siena College and an MBA from Boston University.

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