



Christina Crooks

Director, Tax Policy

Tax and Domestic Economic Policy

November 5, 2013

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, D.C. 20510

The Honorable John Thune
United States Senate
511 Dirksen Senate Office Building
Washington, D.C. 20510

RE: The Mobile Workforce State Income Tax Simplification Act

Dear Senators Brown and Thune:

The National Association of Manufacturers (NAM)—the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states —thanks you for introducing the Mobile Workforce State Income Tax Simplification Act to clarify when a state should assess state income tax on a temporary non-resident worker.

Many manufacturers have employees who travel outside their resident states as part of their job. For example, manufacturers send employees to other states to install or repair shop floor equipment, or to assist in the opening of a plant in a new location. Unfortunately, these out-of-state assignments sometimes result in an arbitrary and punitive compliance burden and tax liability for both employees and employers.

In particular, employees are required to track and comply with various tax filing requirements while employers are required to maintain records and withhold state income taxes for these employees. This compliance burden is particularly onerous for small and medium-sized manufacturers that do not have in-house tax departments.

The Mobile Workforce State Income Tax Simplification Act would simplify the current maze of differing rules applying to the mobile workforce by clarifying that a state cannot assess state income taxes on a nonresident employee temporarily working in the state for 30 days or less in a calendar year. Conversely, states could legitimately tax nonresident employees working more than 30 days a year in the state.

Thank you for supporting this important tax simplification legislation. Providing certainty in the taxation of the mobile workforce will free up resources for employers to use in their business and leave more money in the paychecks of their employees.

Sincerely,

A handwritten signature in black ink that reads 'Christina Crooks'. The signature is written in a cursive, flowing style.

Christina Crooks
Director, Tax Policy

Leading Innovation. Creating Opportunity. Pursuing Progress.