

AMERICAN PAYROLL ASSOCIATION

June 29, 2020

The Honorable John Thune
United States Senate SD-511
Washington, DC 20510

The Honorable Sherrod Brown
503 Hart Office Building
Washington, DC 20510

Dear Senators Thune and Brown,

The American Payroll Association (APA) appreciates the introduction of Senate Bill 3995, the Remote and Mobile Worker Relief Act of 2020. APA has supported the Mobile Workforce Income Tax Simplification Act since it was first introduced in 2007. We heartily support this bill and pray it passes in both the Senate and House of Representatives. As we have conveyed to the congressional leadership, the need for this legislation has never been more urgent, for both workers and their employers, due to the novel coronavirus pandemic. Respectfully, we suggest the bill could be strengthened, and we offer the following recommendations.

Protecting Workers Now and Tomorrow

S. 3995 would establish a 30-day safe harbor against nonresident taxation. During the pandemic, the safe harbor would be extended to 90-days. APA recommends two critical amendments to the bill to ensure it will sufficiently protect workers during the current pandemic and in the future.

First, the 90-day emergency extension is insufficient. Lockdowns beginning in mid-March will likely reach the 90-day threshold in mid-July. While states are currently attempting to reopen, such efforts are uneven and unpredictable. Some APA members report that they do not expect to return to their offices until 2021. APA would prefer to see a solution allowing employees and their employers to decide the safest course of action without undue pressure from tax authorities. APA recommends that the emergency safe harbor be extended to 180 days, at a minimum.

Second, the novel coronavirus is unprecedented in our lifetime, yet its occurrence had been predicted. APA recommends that S. 3995 not be limited to emergency relief for *this* emergency. The Remote and Mobile Worker Relief Act of 2020 could also serve the U.S. economy as a disaster preparedness tool. We may not be able to predict what the next emergency will be but can expect another emergency that will cause workers to cross state lines in response and may also prevent workers from traveling to their normal work locations.

About APA

APA is a nonprofit professional association of over 20,000 payroll professionals in the United States. Our membership also includes representatives of large, medium, and small payroll service providers who are responsible for processing payroll for an additional 1.5 million employers. In total, APA represents those professionals responsible for paying an aggregate total of one-third of the private sector workforce. APA's primary mission is to educate its members and the payroll industry regarding best practices associated with paying America's workers while complying with applicable federal, state, and local laws. Payroll professionals are the people responsible for the administrative task of properly withholding and remitting state and federal taxes. Simply put, no one is more familiar with the responsibility and difficulty relating to withholding nonresident state taxes from employees' pay.

Again, APA thanks you for introducing this important legislation. If we may be of assistance in any regard, please contact William Dunn at bdunn@americanpayroll.org or 202-232-6889.

Sincerely,



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