



House Committee on Taxation

Testimony in Support of House Bill 2420- Remote worker grace period

Presented by Eric Stafford, Vice President of Government Affairs

Thursday, March 5, 2020

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state.

The Kansas Chamber appreciates the opportunity to testify in support of House Bill 2420, a bill that increases Kansas' one-day safe harbor from personal income tax and withholding obligations for employees traveling outside of their home state for temporary periods to a 30-day safe harbor.

House Bill 2420 was a recommendation from the Council on State Taxation (COST) first back in 2020 following the pandemic to craft uniformity across the states on treatment of remote workers. COST has been a leading advocate for the passage of the federal mobile workforce legislation which sets a uniform 30-day safe harbor period. However, that bill has failed to move through Congress, so COST is asking that states address this issue.

In today's economy where technology has made it possible to work remotely from anywhere, state laws should be modernized to avoid unexpected tax liability for workers who temporarily perform their duties in nonresident states. HB 2420 also reduces withholding and reporting burdens on employers whose employees work for less than 30 days in Kansas.

We did receive some feedback last week on a provision in the bill on page 2, line 19 which reads "provides a substantially similar exclusion". The national taxpayers union believes this has proved problematic since not all states, including Kansas, have yet adopted such 30-day grace period. Their opinion is that in today's climate, treatment of remote workers should be a 30-day grace window regardless on how other states handle their tax liability. They shared a [report](#) stating Kansas ranks 43rd out of 50 states for its treatment of remote workers. We are still looking reviewing their suggestion that this language be removed from the bill.

In closing, we respectfully ask for your support of House Bill 2420. We would be happy to answer any questions at the appropriate time.