

## Income/Franchise:

### Federal: Mobile Workforce State Income Tax Simplification Bill Has Been Introduced in US Senate

S. 1443, introduced in US Senate 4/10/25; *Press Release: Thune, Cortez Masto Introduce Bill to Alleviate Burdensome Tax Requirements for Individuals Working in Multiple States*, US Senator of South Dakota John Thune (4/10/25). Pending legislation known as the “Mobile Workforce State Income Tax Simplification Act of 2025” has been introduced in the US Senate which, if enacted, would “limit the authority of States to tax certain income of employees for employment duties performed in other States.” Under this pending federal legislation, the state income taxation of wages or other remuneration of any employee who performs employment duties in more than one state is limited to:

**URL:** <https://www.congress.gov/bill/119th-congress/senate-bill/1443>

**URL:** <https://www.thune.senate.gov/public/index.cfm/press-releases?ID=01AEEA7F-22A1-4F1D-8918-5998A6B179EA>

1. The state of the employee’s residence; and
2. The state within which the employee is “present and performing employment duties for more than 30 days during the calendar year in which the wages or other remuneration is earned.”

Correspondingly, the pending bill generally applies these same standards to an employer’s income tax withholding and reporting requirements. The pending federal legislation also provides that an employer may rely on an employee’s determination of the time he or she spends in each state during the year – unless the employer maintains a “time and attendance system” that tracks where employees perform their daily duties. In the latter case, this “time and attendance system” must be used to determine the number of days an employee works in each state. Note that similar legislation has been introduced in both the US House and Senate in previous years. Please contact us with any questions.

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