



**Statement of the Securities Industry and Financial Markets Association  
Submitted to the United States House Judiciary Subcommittee on Regulatory Reform,  
Commercial and Antitrust Law**

**Subcommittee Hearing**

“H.R. 1129, the Mobile Workforce State Income Tax Simplification Act of 2013”

April 29, 2014

The Securities Industry and Financial Markets Association<sup>1</sup> (SIFMA) supports the *Mobile Workforce State Income Tax Simplification Act* (H.R. 1229). This bipartisan legislation will improve compliance with state personal income tax laws by reducing regulatory burdens for mobile workers. It will establish consistent tax laws for both employees and employers in the financial services industry traveling out of state on business for short periods of time.

Under present law, employees must file personal income tax returns when traveling to a nonresident state for periods as short as a single day. In addition, employers often must withhold income tax on employees who travel outside of their state of residence.

With multiple non-resident filing requirements and withholding thresholds across states, the cost and complexity of compliance paperwork for ever more transient out-of-state work periods places an undue burden on mobile workers and their employers. The Mobile Workforce State Income Tax Simplification Act would halt this unruly race to the bottom with a sensible and easily administrable 30 day standard.

There are precedents for the House of Representatives to act to protect interstate commerce by mediating a difference among states about how to divide the taxable income of multistate businesses. In 1959, Congress helped to create a national market for the sale of goods when it enacted Public Law 86-272 to protect sellers of tangible personal property with a minimal presence in foreign states. Today, the national market for services is threatened by multiple, inconsistent state laws, and impractical compliance requirements for workers who frequently must cross state lines for brief periods to serve clients.

By establishing clear and consistent state income tax standards for mobile workers and employers, the Mobile Workforce State Income Tax Simplification Act will help to spur job creation and business expansion by providing certainty to businesses and their employees. SIFMA urges the Subcommittee to recommend this important legislation to the full House Judiciary Committee for further consideration.

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<sup>1</sup> The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

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