



House Committee on Taxation

Testimony in Support of HB 2722

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 2722, 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 2722 is another recommendation from the Council on State Taxation (COST). 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 2722 also reduces withholding and reporting burdens on employers whose employees work for less than 30 days in Kansas.

COST recommends adding additional language to HB 2722 to offer this protection only to residents of states that have also adopted a comparable 30-day threshold. That language could be inserted after subsection (e) on page 2:

"The nonresident individual's state of residence: i) provides a substantially similar exclusion, or ii) does not impose an individual income tax, or iii) the individual's income is exempt from taxation by this state under the United States Constitution or federal statute."

In closing, we respectfully ask for your support of House Bill 2722. We would be happy to answer any questions at the appropriate time.