

## Sample Letter to the House

Dear Representative (enter name):

I am writing to urge you to cosponsor the Multi-State Worker Tax Fairness Act (H.R. 4085, 113<sup>th</sup> Cong.). This legislation would eliminate a harsh tax penalty currently burdening interstate teleworkers and their employers.

The Multi-State Worker Tax Fairness Act would prohibit states from applying a rule commonly referred to as the “convenience of the employer” rule. In a state that maintains this rule, when a company employs a nonresident who chooses to telecommute some or most of the time, the state will tax the employee on 100% of his wages - not just the part of his salary he earns when he works in the state, but also the part he earns when he works at home, in a different state. Because telecommuters’ home states can also tax the wages they earn at home, many employees are double taxed for telecommuting across state lines.

Even telecommuters who live in states that impose no personal income tax are penalized for choosing to telecommute between states: Notwithstanding the choice they made to live in a state that imposes no income tax - and notwithstanding the fact that their home states may impose uncommonly high sales tax or other taxes to make up for the lack of income tax revenue - they must pay state income tax anyway, to their employer’s state instead of their own.

The tax penalty is a powerful deterrent to telework. Some workers are forced to reject the telework option because the convenience rule creates too much confusion about where they owe taxes. Other workers are forced to reject telework because the threat of double or excessive taxation makes this transportation alternative too expensive. The convenience rule also forces businesses to reject telework, creating tremendous confusion for payroll departments about where they must withhold for telecommuters and driving up compliance costs.

The tax penalty deals a harsh blow to *commuters* who need to telework when storms, transit failures, or other disruptions render roads and rails unusable. Other Americans hurt by the penalty include *disabled war veterans and other Americans with disabilities* for whom daily commuting or on-site work may be impossible; *family caregivers* of disabled Americans who need workplace flexibility to manage both care-giving and job responsibilities; *military spouses* who need portable jobs to avoid repeated unemployment as they move with their service members from base to base; *older Americans* with reduced mobility who need to phase in, defer, or come out of retirement; *unemployed Americans* who need to expand the region where they look for work; and *small business owners* who need a scattered workforce to build national enterprises with strong continuity of operations plans and minimal recruitment, turnover, and overhead expenses.

[Enter information describing who you are or what your entity does and how the tax penalty for telecommuting threatens your ability to rely on telework.]

The Multi-State Worker Tax Fairness Act would remove the penalty for telecommuting across state lines, barring states from taxing nonresidents on wages they earn when they are physically present in another state. By removing the tax obstacle to interstate telework, the measure would increase America’s transportation choices. It would also increase employment opportunities. These crucial gains would come at no cost to the federal government.

To help assure that broadband is a viable commute option for multi-state workers, I respectfully request that you become a cosponsor of the Multi-State Worker Tax Fairness Act and press for its swift enactment.

If you have any questions, please contact me at (enter your contact information).

Thank you in advance for your support.

## Sample Letter to the Senator

Dear Senator (enter name):

I am writing to urge you to become an original cosponsor of the Multi-State Worker Tax Fairness Act. This legislation would eliminate a harsh tax penalty currently burdening interstate teleworkers and their employers. The measure has already been introduced in the House (H.R 4085, 113<sup>th</sup> Cong.). It must now be introduced in the Senate and quickly enacted.

The Multi-State Worker Tax Fairness Act was introduced in the Senate in the 112<sup>th</sup> Congress as “The Telecommuter Tax Fairness Act.” (S. 1811, 112<sup>th</sup> Cong.). The measure would prohibit states from applying a rule commonly referred to as the “convenience of the employer” rule. In a state that maintains this rule, when a company employs a nonresident who chooses to telecommute some or most of the time, the state will tax the employee on 100% of his wages - not just the part of his salary he earns when he works in the state, but also the part he earns when he works at home, in a different state. Because telecommuters’ home states can also tax the wages they earn at home, many employees are double taxed for telecommuting across state lines.

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