

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
Alabama	No (for purposes of all Alabama taxes)	"Alabama will not consider temporary changes in an employee's physical work location during periods in which temporary telework requirements are in place due to the pandemic to impose nexus or alter apportionment of income for any business."  <a href="https://revenue.alabama.gov/coronavirus-covid-19-updates/">https://revenue.alabama.gov/coronavirus-covid-19-updates/</a> (May 12, 2020)	During the pandemic: the employee's regular (pre-pandemic) work state. (Alabama appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)  After the pandemic: presumably the state from which the employee is telecommuting.	"During the federally declared period of emergency due to the coronavirus (COVID-19) pandemic, Alabama will not change withholding requirements for businesses based on an employee's temporary telework location within Alabama that is necessitated by the pandemic and related federal or state measures to control its spread."  <a href="https://revenue.alabama.gov/coronavirus-covid-19-updates/">https://revenue.alabama.gov/coronavirus-covid-19-updates/</a> (May 12, 2020).
Arkansas	Unknown	No guidance provided.	Possibly the employee's regular (pre-pandemic) work state.	Under Legal Opinion No. 20200203 (Feb. 20, 2020), Arkansas appears to have adopted the "convenience of the employer" rule generally.
California	No (corporation franchise and income tax purposes only)	"California will not treat an out-of-state corporation whose only connection to California is the presence of an employee who is currently teleworking in California due to Governor Newsom's "stay at home" order as having nexus in the state or as exceeding the protections of Public Law 86-272. This policy will be applicable until the Governor's Executive Order is no longer in effect."  <a href="https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html#Teleworking-and-the-Stay-at-Home-order">https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html#Teleworking-and-the-Stay-at-Home-order</a>	The state from which the employee is telecommuting.	"Scenario 1: You work for an out-of-state employer and receive a W-2 from them. You temporarily relocate to California. Do you need to file a California return and pay California income tax?  Answer: Yes. As a nonresident who relocates to California for any portion of the year, you will have California source income during the period of time you performed services in California."  <a href="https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html#Teleworking-and-the-Stay-at-Home-order">https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html#Teleworking-and-the-Stay-at-Home-order</a>  For guidance about the unemployment insurance implications of COVID-19-related telecommuting, see <a href="https://edd.ca.gov/about_edd/coronavirus-2019/faqs.htm">https://edd.ca.gov/about_edd/coronavirus-2019/faqs.htm</a>
Connecticut	Unknown	No guidance provided.	Possibly the employee's regular work state (i.e., the employer's home state).	Connecticut adopted the "convenience of the employer rule" effective for the 2019 tax year.  <a href="https://portal.ct.gov/DRS/Individuals/Individual-Tax-Page/Nonresident-Working-in-Connecticut">https://portal.ct.gov/DRS/Individuals/Individual-Tax-Page/Nonresident-Working-in-Connecticut</a>
Delaware	Unknown	No guidance provided.	Possibly the employee's regular work state (i.e., the employer's home state).	Delaware has historically followed the "convenience of the employer" rule. See Delaware Schedule W.



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<p>District of Columbia</p>	<p>No (corporation franchise tax or unincorporated business franchise tax purposes only)</p>	<p>"The Office of Tax and Revenue will not seek to impose corporation franchise tax or unincorporated business franchise tax nexus solely on the basis of employees or property used to allow employees to work from home (e.g., computers, computer equipment, or similar property) temporarily located in the District during the period of the declared public emergency and public health emergency, including any further extensions by the Mayor."</p> <p>OTR Tax Notice 2020-07 (Sept. 3, 2020)  <a href="https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/COVID-19_EMERGENCY_INCOME_AND_FRANCHISE_TAX_NEXUS_UPDATE_Clean002.pdf">https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/COVID-19_EMERGENCY_INCOME_AND_FRANCHISE_TAX_NEXUS_UPDATE_Clean002.pdf</a></p>	<p>N/A. The District's individual income tax only applies to residents.</p>	
<p>Georgia</p>	<p>No (for purposes of all Georgia business taxes)</p>	<p>"Q: If my employees are working from home due to the Corona Virus pandemic, does that modify my company's nexus determination ...?"</p> <p>A: In response to the remote work requirements associated with the Corona Virus pandemic, the Department will not use someone's relocation, that is the direct result of temporary remote work requirements arising from and during the Corona Virus pandemic, as the basis for establishing Georgia nexus or for exceeding the protections provided by P.L. 86-272 for the employer of the temporarily relocated employee....The temporary protections provided under this guidance will extend for periods of time where:</p> <p>1. There is an official work from home order issued by an applicable federal, state or local government unit, or 2. Pursuant to the order of a physician in relation to the COVID-19 outbreak or due to an actual diagnosis of COVID-19, the employee is working at home. Additionally, the subsequent 14 days are included in the time period to allow for a return to normal work locations. Also: 1. If the person remains in Georgia after the temporary remote work requirement has ended, the normal rules for determining nexus... will apply."</p> <p><a href="https://dor.georgia.gov/coronavirus-tax-relief-faqs">https://dor.georgia.gov/coronavirus-tax-relief-faqs</a></p>	<p>During the pandemic: the employee's regular (pre-pandemic) work state. (Georgia appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p>"Q: If my employees are working from home due to the Corona Virus pandemic, does that modify ... the amount of my employee's Georgia wages and therefore my company's Georgia income tax withholding obligation?"</p> <p>A: ...if the employee is temporarily working in Georgia, wages earned during this time period would not be considered Georgia income and therefore the company is not required to withhold Georgia income tax....The temporary protections provided under this guidance will extend for periods of time where:</p> <p>1. There is an official work from home order issued by an applicable federal, state or local government unit, or 2. Pursuant to the order of a physician in relation to the COVID-19 outbreak or due to an actual diagnosis of COVID-19, the employee is working at home. Additionally, the subsequent 14 days are included in the time period to allow for a return to normal work locations. Also: ... 3. Wages paid to a nonresident employee that normally works in Georgia but that is temporarily working in another state, under the "temporary protections" circumstances described above, would be considered Georgia wages and the employer should continue to withhold Georgia income taxes."</p> <p><a href="https://dor.georgia.gov/coronavirus-tax-relief-faqs">https://dor.georgia.gov/coronavirus-tax-relief-faqs</a></p>



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<p>Illinois</p>	<p>Unknown</p>	<p>No guidance provided.</p>	<p>Illinois, if in-state telecommuting occurs for more than 30 days during the year.</p>	<p>The Illinois Department of Revenue will not provide any COVID-19-related exceptions from its' new income tax withholding law, which became effective on Jan. 1, 2020. Specifically, under Informational Bulletin FY 2020-29 (May 2020), out-of-state employers must withhold Illinois income tax from the wages of any resident employee who physically works in Illinois for more than 30 days in 2020, even those who are working from home solely due to stay-at-home orders under COVID-19.</p> <p>This policy is not intended to impact out-of-state employers who either (1) are from states with reciprocity with Illinois (i.e., Iowa, Kentucky, Michigan, and Wisconsin, but not including Missouri or Indiana), or (2) are already registered for Illinois payroll tax withholding.</p> <p>Illinois will not impose penalty and interest upon employers for failing to withhold Illinois payroll taxes on employees who are working from home solely due to the COVID-19 pandemic.</p>

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Indiana	No (corporate income tax only)	<p>"If my employees are working from home during the COVID-19 crisis, does that modify my company's nexus determination?"</p> <p>In response to the new remote work requirements associated with the COVID-19 pandemic, the Indiana Department of Revenue will not use someone's relocation, that is the direct result of temporary remote work requirements arising from and during the COVID-19 pandemic health crisis, as the basis for establishing Indiana nexus or for exceeding the protections provided by P.L. 86-272 for the employer of the temporary relocated employee.</p> <p>The temporary protections provided under this guidance will extend for periods of time where:</p> <ol style="list-style-type: none"> <li>1. There is an official work from home order issued by an applicable federal, state or local government unit, or</li> <li>2. Pursuant to the order of a physician in relation to the COVID-19 outbreak or due to an actual diagnosis of COVID-19, plus 14 days to allow for return to normal work locations.</li> </ol> <p>If the person remains in Indiana after the temporary remote work requirement has ended, nexus may be established for that employer. Likewise, an employer may not assert that solely having a temporarily relocated employee in Indiana under the circumstances described above creates nexus for the business or exceeds the protections of P.L. 86-272 for the employer."</p> <p><a href="https://www.in.gov/dor/7078.htm">https://www.in.gov/dor/7078.htm</a></p>	Unknown	No guidance provided.
Iowa	No (corporate income tax)	<p>"Will the presence of employees temporarily telecommuting from within Iowa solely as a result of states of emergency declared in response to COVID-19 establish Iowa income tax nexus for a business that does not otherwise have nexus in this state?"</p> <p>No.... while Iowa's state of emergency in response to COVID-19, or similar declared state of emergency in the state where the worker normally worked prior to the COVID-19 pandemic, remains in effect, the Department will not consider the presence of one or more employees working remotely from within Iowa solely due to the COVID-19 pandemic, by itself, sufficient business activity within the state to establish Iowa corporate income tax nexus. Nor does the Department consider such presence by non-sales employees due to the pandemic sufficient, by itself, to cause a corporation to lose the protections of Public Law 86-272."</p> <p><a href="https://tax.iowa.gov/COVID-19">https://tax.iowa.gov/COVID-19</a></p>	The state from which the employee is telecommuting.	<p>"Will Iowa individual income tax filing and withholding requirements change as a result of temporary telecommuting due to COVID-19? No, Iowa individual income tax and withholding requirements have not been modified by the COVID-19 pandemic."</p> <p><a href="https://tax.iowa.gov/COVID-19">https://tax.iowa.gov/COVID-19</a></p>

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<p>Kentucky</p>	<p>No guidance</p>	<p>"Does the presence of an employee working in Kentucky or any local jurisdiction due to restrictions related to the COVID-19 public health emergency create a nexus for tax purposes in Kentucky or any local jurisdiction?"</p> <p>DOR will continue reviewing Kentucky state income tax nexus determinations on a case-by-case basis. "</p> <p><a href="https://revenue.ky.gov/Individual/Pages/COVID-19-Tax-Relief-Frequently-Asked-Questions.aspx">https://revenue.ky.gov/Individual/Pages/COVID-19-Tax-Relief-Frequently-Asked-Questions.aspx</a></p>	<p>The state from which the employee is telecommuting.</p>	<p>"Can a business continue to withhold income tax in the state and local jurisdiction where the employer is located?"</p> <p>For Kentucky state income tax purposes, employers employing Kentucky residents, and/or nonresidents who reside in states with which Kentucky has a reciprocal agreement, will not need to change their current withholding practices during the period when these employees are working from home. Requirements for withholding of tax in either case remain unchanged by restrictions related to the COVID-19 public health emergency."</p> <p>"Can an employee who is temporarily telecommuting continue to pay taxes to the state and local jurisdiction where the employer is located?"</p> <p>... For Kentucky state income tax purposes, employers employing Kentucky residents and/or nonresidents who reside in states with which Kentucky has a reciprocal agreement will not need to change their current withholding practices during the period when these employees are working from home. These employees' Kentucky state income tax obligations remain unchanged by restrictions related to the COVID-19 public health emergency."</p> <p><a href="https://revenue.ky.gov/Individual/Pages/COVID-19-Tax-Relief-Frequently-Asked-Questions.aspx">https://revenue.ky.gov/Individual/Pages/COVID-19-Tax-Relief-Frequently-Asked-Questions.aspx</a></p>

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<p>Maine</p>	<p>No (corporate income tax or sales tax)</p>	<p>"Sales Tax Nexus: Registration and Collection Duty Requirements For sales occurring in 2020, MRS will not consider the presence of one or more employees in this State, who commenced working remotely from Maine during the state of emergency and due to the COVID-19 pandemic, to constitute substantial physical presence in this State for sales and use tax registration and collection duty purposes.</p> <p>Corporate Income Tax Nexus For tax years beginning in 2020, MRS will not consider the presence of one or more employees in this State, who commenced working remotely from Maine during the state of emergency and due to the COVID-19 pandemic, to establish, by itself, corporate income tax nexus."</p> <p><a href="https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ta_oct2020_vol30_iss19.pdf">https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ta_oct2020_vol30_iss19.pdf</a></p>	<p>The employee's regular (pre-pandemic) work state. (Maine appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p>"Employer Income Tax Withholding – New Telework in Maine by Maine Residents Maine income tax withholding for wages paid in 2020 to a Maine resident suddenly working in Maine due to a state's COVID-19 state of emergency, will continue to be calculated as if the Maine resident were still working outside the State. See MRS Rule 803, Section .04(B), available at: <a href="http://www.maine.gov/revenue/publications/rule">www.maine.gov/revenue/publications/rule</a>".</p> <p>"Individual Income Tax – Final Tax Liability For tax years beginning in 2020, the Mills Administration will introduce legislation in January to ensure Maine residents avoid double taxation as a result of COVID-19 related telework by allowing the tax credit for income tax paid to other jurisdictions if another jurisdiction is asserting an income tax obligation for the same income despite the employee no longer physically working in that jurisdiction due to COVID-19."</p> <p><a href="https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ta_oct2020_vol30_iss19.pdf">https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ta_oct2020_vol30_iss19.pdf</a></p>
<p>Maryland</p>	<p>No (for purposes of all Maryland business taxes)</p>	<p>Maryland changed its' previous guidance (Tax Alert 04-14-20B) by explaining that it "will not use these temporary measures [i.e., teleworking caused by the COVID-19 pandemic] to impose business nexus, to alter the sourcing of business income, or to impose additional withholding requirements on the employer."</p> <p>Maryland Tax Alert (05-04-20) <a href="https://www.marylandtaxes.gov/covid/documents/TaxAlert050420-EmployerWithholdingonTeleworkers.pdf">https://www.marylandtaxes.gov/covid/documents/TaxAlert050420-EmployerWithholdingonTeleworkers.pdf</a></p>	<p>The state from which the employee is telecommuting.</p>	<p>"Maryland employer withholding requirements are not affected by the current shift from working on the employer's premises to teleworking because taxability is determined by the employee's physical presence."</p> <p>Maryland Tax Alert (05-04-20) <a href="https://www.marylandtaxes.gov/covid/documents/TaxAlert050420-EmployerWithholdingonTeleworkers.pdf">https://www.marylandtaxes.gov/covid/documents/TaxAlert050420-EmployerWithholdingonTeleworkers.pdf</a></p>

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Massachusetts	No (for sales/use tax, corporate excise tax, or pass-through entity tax/filing purposes)	<p><b>Sales and Use Tax</b>                      ...During the period that the rules in this TIR remain in effect, the presence of one or more employees working remotely from Massachusetts, due solely to a Pandemic-Related Circumstance, will not in and of itself trigger nexus for sales and use tax collection purposes."</p> <p><b>Corporate Excise</b>                      ...During the period that the rules in this TIR remain in effect, the Department will not consider the presence of one or more employees working remotely from Massachusetts solely due to a Pandemic-Related Circumstance, ...to be sufficient in and of itself to establish corporate nexus. In addition, such presence will not, of itself, cause a corporation to lose the protections of Public Law 86-272. Relatedly, for corporate apportionment purposes, (1) services performed by such persons in Massachusetts will not increase the numerator of the employer's payroll factor, and (2) the presence in Massachusetts of business property reasonably needed for such persons' use while working remotely will not increase the numerator of the employer's property factor."</p> <p><b>Pass-through Entities</b>                      ...partnerships having a usual place of business in Massachusetts must file information returns. M.G.L. c. 62C, § 7. S corporations that have nexus in Massachusetts must file corporate excise returns. M.G.L. c. 62C, § 11; M.G.L. c. 62, § 17A. In determining whether a partnership has a usual place of business in Massachusetts or whether an S corporation has corporate nexus with the Commonwealth, the Department will apply the rules and limitations set out in ... this TIR to employees, partners and S corporation shareholders who began working remotely in Massachusetts due to a Pandemic-Related Circumstance."</p> <p>Massachusetts TIR 20-15 (Dec. 8, 2020) <a href="https://www.mass.gov/technical-information-release/tir-20-15-revised-guidance-on-the-massachusetts-tax-implications-of">https://www.mass.gov/technical-information-release/tir-20-15-revised-guidance-on-the-massachusetts-tax-implications-of</a></p>	<p>The employee's regular (pre-pandemic) work state. (Massachusetts appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p><b>Personal Income and Withholding Tax</b>                      ...until 90 days after the state of emergency in Massachusetts is lifted, all compensation received for services performed by a non-resident who, immediately prior to the Massachusetts COVID-19 state of emergency was an employee engaged in performing such services in Massachusetts, and who began performing services from a location outside Massachusetts due to a Pandemic-Related Circumstance, will continue to be treated as Massachusetts source income subject to personal income tax under M.G.L. c. 62 and personal income tax withholding."</p> <p>Massachusetts TIR 20-15 (Dec. 8, 2020) <a href="https://www.mass.gov/technical-information-release/tir-20-15-revised-guidance-on-the-massachusetts-tax-implications-of">https://www.mass.gov/technical-information-release/tir-20-15-revised-guidance-on-the-massachusetts-tax-implications-of</a></p> <p>Note that, on October 19, 2020, New Hampshire filed suit in the U.S. Supreme Court against Massachusetts' Oct. 16 adoption of a final rule (830 C.M.R. 62.5A3) that requires Massachusetts payroll tax to be withheld upon the wages paid for services performed by a nonresident employee who, immediately prior to the Massachusetts COVID-19 state of emergency, was performing such services in Massachusetts, but who began performing services outside of Massachusetts due to a Pandemic-Related Circumstance.</p>
Minnesota	No (for purposes of all Minnesota business taxes)	<p>"Will Minnesota impose nexus for business taxes on a company solely due to an employee who is temporarily telecommuting from a Minnesota location due to COVID-19?"</p> <p>No. The department will not seek to establish nexus for any business tax solely because an employee is temporarily working from home due to the COVID-19 pandemic."</p> <p><a href="https://www.revenue.state.mn.us/covid-19-faqs-businesses">https://www.revenue.state.mn.us/covid-19-faqs-businesses</a></p>	The state from which the employee is telecommuting.	<p>"I'm temporarily telecommuting due to COVID-19. Will my Minnesota Individual Income Tax filing requirement for tax year 2020 be affected? It depends if you're a Minnesota resident, part-year resident, or nonresident.</p> <p>Minnesota residents: Your income tax filing requirements will not change solely because of telecommuting.</p> <p>Nonresidents or part-year residents: You may need to apportion your income based on the number of days you work from home. Nonresidents need to divide the number of days worked in Minnesota by the total number of days worked."</p> <p><a href="https://www.revenue.state.mn.us/covid-19-faqs-individuals">https://www.revenue.state.mn.us/covid-19-faqs-individuals</a></p>

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<p>Missouri</p>	<p>Unknown</p>	<p>No guidance provided.</p>	<p>The state from which the employee is telecommuting.</p>	<p>In a presentation given on November 19, 2020 by the Missouri Department of Revenue for the Missouri Bar Association Taxation Committee's annual meeting, entitled "Tax Consequences of Remote Work: Questions and Answers", the Department provided the following guidance:</p> <p>"Scenario 1: My employees worked in MO until March, 2020. Now, some are working remotely from another state. Am I required to withhold Missouri tax from these employees' wages?</p> <p>Answer: Yes, for the wages paid to the employee while they were working in Missouri.</p> <p>An employer is required to withhold Missouri tax from all wages paid to an employee in exchange for services the employee performs in Missouri for the employer."</p>
<p>Missouri: City of St. Louis</p>	<p>Unknown</p>	<p>No guidance provided.</p>	<p>The employee's regular (pre-pandemic) work location. (St. Louis appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the location from which the employee is telecommuting.</p>	<p>"Employees who have been working remotely due to Covid-19 or in conjunction with the acting City of St. Louis Health Commissioner's Order should be treated as working at their original, principal place of work for Earnings Tax purposes. The acting Health Commissioner's Order required all non-exempt City of St. Louis employers to "facilitate employees working remotely" but is completely neutral to the location of the remote work site. It does not order employees to work outside the City nor require any individual who is employed outside the City, to work remotely in their City Home.</p> <p>Employers should continue to withhold on those employees in the same manner as they did prior to the temporary relocation of their employees. Under these circumstances, days worked out of the city due to a temporary reassignment caused by Covid-19 or the acting Health Commissioner's Order may not be included in the Non-Residency Deduction formula on Form E-1R when claiming a refund for tax year 2020."</p> <p><a href="https://www.stlouis-mo.gov/collector/earnings-tax-forms-info.cfm# covid19">https://www.stlouis-mo.gov/collector/earnings-tax-forms-info.cfm# covid19</a></p>



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Mississippi	No (for purposes of all Mississippi business taxes)	<p>"Mississippi will not use any changes in the employees' temporary work locations due to the pandemic to impose nexus or alter apportionment of income for any business while temporary telework requirements are in place."</p> <p><a href="https://www.dor.ms.gov/Documents/COVID%20Extensions%20Press%20Release.pdf">https://www.dor.ms.gov/Documents/COVID%20Extensions%20Press%20Release.pdf</a> (March 26, 2020).</p>	<p>The employee's regular (pre-pandemic) work state. (Mississippi appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p>"During the period of national emergency, Mississippi will not change withholding requirements for businesses based on the employee's temporary telework location. Mississippi residents are taxable on their total income, regardless of where they work. However, Mississippi will not impose any new withholding requirements on the employer."</p> <p><a href="https://www.dor.ms.gov/Documents/COVID%20Extensions%20Press%20Release.pdf">https://www.dor.ms.gov/Documents/COVID%20Extensions%20Press%20Release.pdf</a></p>
Nebraska	Unknown	No guidance provided.	<p>The employee's regular (pre-pandemic) work state. (Nebraska will apply a "convenience of the employer" rule during the pandemic.)</p> <p>After the pandemic: The employee's regular (pre-pandemic) work state. (Nebraska has historically used a "convenience of the employer rule.")</p>	<p>"The Nebraska Department of Revenue will not require employers to change the state which was previously established in their payroll systems for income tax withholding purposes for employees who are now telecommuting or temporarily relocated to a work location within or outside Nebraska due to the COVID-19 pandemic. A change in work location is not required beginning with the date the emergency was declared, March 13, 2020, and ending on January 1, 2021, unless the emergency is extended."</p> <p><a href="https://revenue.nebraska.gov/businesses/frequently-asked-questions-about-income-tax-changes-due-covid-19-national-emergency">https://revenue.nebraska.gov/businesses/frequently-asked-questions-about-income-tax-changes-due-covid-19-national-emergency</a> (May 19, 2020)</p> <p>It is unusual that Nebraska has announced its' effective use of a "convenience of the employer" rule during the pandemic, due to its' pre-pandemic use of that rule. 316 Neb. Admin. Code 22-003.01C.</p>

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New Jersey	No (for corporate income tax and sales tax purposes)	<p>"Does an out-of-State seller have to register and collect New Jersey Sales Tax if the seller's employees are working from home in New Jersey as a result of the COVID-19 pandemic? The Division will temporarily waive the Sales Tax nexus standard which is generally met if an out-of-State seller has an employee working in this State. Thus, as long as the out-of-State seller did not maintain any physical presence other than employees working from home in New Jersey and is below the economic thresholds the Division will not consider the out-of-State seller to have nexus for Sales Tax purposes during this time period."</p> <p><a href="https://www.state.nj.us/treasury/taxation/covid19-payroll.shtml">https://www.state.nj.us/treasury/taxation/covid19-payroll.shtml</a> (May 6, 2020)</p> <p>"Tele-Commuting and Corporate Nexus - As a result of COVID-19 causing people to work from home as a matter of public health, safety, and welfare, the Division will temporarily waive the impact of the legal threshold within N.J.S.A. 54:10A-2 and N.J.A.C. 18:7-1.9(a), which treats the presence of employees working from their homes in New Jersey as sufficient nexus for out-of-state corporations. In the event that employees are working from home solely as a result of closures due to the coronavirus outbreak and/or the employer's social distancing policy, no threshold will be considered to have been met. "</p> <p><a href="https://www.nj.gov/treasury//taxation/businesses.shtml">https://www.nj.gov/treasury//taxation/businesses.shtml</a> (March 30, 2020)</p>	<p>NJ will follow the sourcing rules of the employer's home state. For employers whose home state is NJ, wages will be sourced to the state from which the employee is telecommuting.</p>	<p>"For purposes of New Jersey's employer withholding tax, during the temporary period of the COVID-19 pandemic, wage income of employees telecommuting from a non-New Jersey home office will continue to be sourced as determined by the employer in accordance with the employer's jurisdiction. The Reciprocal Personal Income Tax Agreement between New Jersey and Pennsylvania eliminates wage sourcing issues for these employees as there is agreement to not tax the wages of a resident of the other state."</p> <p><a href="https://www.state.nj.us/treasury/taxation/covid19-payroll.shtml">https://www.state.nj.us/treasury/taxation/covid19-payroll.shtml</a></p> <p>On October 19, 2020, the New Jersey Senate introduced a bill directing the State Treasurer to issue a report regarding (1) New York State's taxation of the income earned by New Jersey residents, to determine how much credit New Jersey provides for taxes paid to New York under New York's "convenience of the employer" rule, and (2) whether or not New Jersey will join New Hampshire's litigation against Massachusetts regarding its' New York-like policies under COVID-19.</p>

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Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
New York	Unknown	No guidance provided.	The employee's regular (pre-pandemic) work state. (New York will not provide any pandemic-related exceptions to its' historical use of the "convenience of the employer" rule.)	<p>New York confirmed that it would not provide any COVID-19-related exceptions to its' historical "convenience of the employer" rule. Under this rule, the wages of any nonresident employee whose primary office is in New York State are still sourced to New York for withholding and individual income tax purposes unless the employer has established a "bona fide employer" office at the employee's telecommuting office.</p> <p><a href="https://www.tax.ny.gov/pit/file/nonresident-faqs.htm#telecommuting">https://www.tax.ny.gov/pit/file/nonresident-faqs.htm#telecommuting</a> (Oct. 19, 2020)</p> <p>The New York Bar Association had previously urged New York State and City to provide a pandemic-related exception to their historical "convenience of the employer" rules.</p> <p><a href="https://www.nycbar.org/member-and-career-services/committees/reports-listing/reports/detail/covid-19-related-tax-issues-letter">https://www.nycbar.org/member-and-career-services/committees/reports-listing/reports/detail/covid-19-related-tax-issues-letter</a> (April 10, 2020)</p>
North Dakota	No (business income tax)	<p>"Because of COVID restrictions and recommendations, some of our employees are present in North Dakota in a temporary telecommuting capacity. Would this create nexus for 2020 for our company?</p> <p>If the telecommuting is attributable to a COVID related response and is intended to be temporary, North Dakota will not assert income tax nexus on that basis alone."</p> <p><a href="https://www.nd.gov/tax/faqs/articles/412-/">https://www.nd.gov/tax/faqs/articles/412-/</a></p> <p>"Because of COVID restrictions and recommendations, some of our employees, whose payroll which is ordinarily assignable to another state for payroll factor purposes, are telecommuting from a location in North Dakota. Is this payroll included as North Dakota payroll?</p> <p>A: If the telecommuting is attributable to a COVID related response and is intended to be temporary, North Dakota will not require inclusion of that payroll in the numerator of the payroll factor."</p> <p><a href="https://www.nd.gov/tax/faqs/articles/413-/">https://www.nd.gov/tax/faqs/articles/413-/</a></p>	Unknown	No guidance provided.

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
<p>Ohio: Localities</p>	<p>No (if employees do not telecommute from the city for more than 20 days/year)</p>	<p>"if an employee does not exceed the 20-day threshold, that employee's pay is not counted toward the business's payroll factor, one of three factors – along with property and sales – that determines whether, and the extent to which, an employer's own income is subject to the municipality's tax on net profits."</p> <p><a href="http://files.clickdimensions.com/ohiosenategov-aij2w/documents/hb197_other_13586.pdf">http://files.clickdimensions.com/ohiosenategov-aij2w/documents/hb197_other_13586.pdf</a></p>	<p>The employee's regular (pre-pandemic) work location. (Ohio Cities have all adopted a "convenience of the employer" rule).</p>	<p>On March 27, 2020, Ohio Gov. DeWine signed into law H.B. 197, which specifies that, for Ohio municipal income tax purposes, employees who must report to a temporary worksite (including their home) during the emergency period, or within 30 days thereafter, are considered to be working at their otherwise principal place of work (which, by law, is where the employee reports for work on "a regular and ordinary basis"). This affects which municipal corporation the employer must withhold income taxes for, which municipal corporation may tax the employee's pay, and whether and how much of the employer's own income is subject to a municipality's income tax. (Under current law, an employee may work in a municipality for up to 20 days per year without the employee becoming subject to that municipality's income tax and the employer becoming subject to that municipality's tax withholding requirements.)</p> <p><a href="http://files.clickdimensions.com/ohiosenategov-aij2w/documents/hb197_other_13586.pdf">http://files.clickdimensions.com/ohiosenategov-aij2w/documents/hb197_other_13586.pdf</a></p>
<p>Oregon</p>	<p>No (corporate income tax)</p>	<p>"For purposes of Oregon corporate excise/income tax, the presence of teleworking employees of the corporation in Oregon between March 8, 2020 and December 31, 2020 won't be treated by the department as a relevant factor when making a nexus determination if the employee(s) in question are regularly based outside Oregon."</p> <p><a href="https://www.oregon.gov/dor/Pages/COVID19.aspx">https://www.oregon.gov/dor/Pages/COVID19.aspx</a></p>	<p>Unknown</p>	<p>No guidance provided.</p>

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
<p>Pennsylvania</p>	<p>No (corporate net income tax or sales tax)</p>	<p>"As a result of the COVID-19 pandemic causing people to temporarily work from home, the department will not seek to impose Corporate Net Income Tax (CNIT) nexus or Sales and Use Tax (SUT) nexus solely on the basis of this temporary activity."</p> <p>"This guidance will be in effect until the earlier of June 30, 2021, or 90 days after the Proclamation of Disaster Emergency in Pennsylvania is lifted ("End Date")."</p> <p><a href="https://www.revenue.pa.gov/COVID19/Pages/Telework.aspx">https://www.revenue.pa.gov/COVID19/Pages/Telework.aspx</a></p>	<p>The employee's regular (pre-pandemic) work state. (Pennsylvania will apply a "convenience of the employer" rule during the pandemic.)</p> <p>After the pandemic: The employee's regular (pre-pandemic) work state. (Pennsylvania has historically used a "convenience of the employer rule.")</p>	<p>"Employees - In summary, if an employee is working from home temporarily due to the COVID-19 pandemic, the department does not consider that as a change to the sourcing of the employee's compensation. For non-residents who were working in Pennsylvania before the pandemic, their compensation would remain Pennsylvania sourced income for all tax purposes, including PA-40 reporting, employer withholding and three-factor business income apportionment purposes for S Corporations, partnerships and individuals. Conversely, for Pennsylvania residents who were working out-of-state before the pandemic, their compensation would remain sourced to the other state and they would still be able to claim a resident credit for tax paid to the other state on the compensation.</p> <p>Employers - For a Pennsylvania employer with a non-resident employee temporarily working from home due to the COVID-19 pandemic in a state that doesn't have a reciprocity agreement with Pennsylvania, the department advises that the employee's compensation remains Pennsylvania sourced, and the employer is required to withhold on the compensation."</p> <p><a href="https://www.revenue.pa.gov/COVID19/Pages/Telework.aspx">https://www.revenue.pa.gov/COVID19/Pages/Telework.aspx</a></p> <p>Pennsylvania has historically used a "convenience of the employer" rule. 61 Pa. Code 109.8.</p>

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
<p>Pennsylvania: City of Philadelphia</p>	<p>Nexus (Business Income and Receipts Tax/BIRT and Net Profits Tax/NPT)</p>	<p>"The Department of Revenue will temporarily waive the legal nexus threshold established under §19- 2603 of the Philadelphia Code and under Section 103 of the BIRT Regulations, which considers the presence of employees working temporarily from home within Philadelphia as establishing sufficient nexus for out-of-Philadelphia businesses. This waiver applies if and when an employee works from home solely as a result of the COVID-19 pandemic.</p> <p>This temporary guidance will be in effect until the earlier of June 30, 2021, or 90 days after the Proclamation of Disaster Emergency in Pennsylvania is lifted ("End Date"). This policy is consistent with guidance issued by the Pennsylvania Department of Revenue regarding Telework During the COVID-19 pandemic."</p> <p><a href="https://www.phila.gov/media/20201207154218/Nexus-sourcing-Philadelphia-covid-19-December2020-policy-update.pdf">https://www.phila.gov/media/20201207154218/Nexus-sourcing-Philadelphia-covid-19-December2020-policy-update.pdf</a> (Dec. 7, 2020)</p>	<p>The employee's regular (pre-pandemic) work location. (Philadelphia appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the location from which the employee is telecommuting.</p>	<p>"Where Philadelphia non-resident employees – who have been performing services in their assigned business locations within Philadelphia and have not previously been required to work from home – are now temporarily working from home solely as a result of the COVID-19 pandemic, the Department of Revenue deems that such services are performed within Philadelphia for the purposes of sourcing receipts for BIRT and NPT.</p> <p>Philadelphia resident employees who had been performing services for employers outside the City before the COVID-19 pandemic who are now temporarily working from their homes in Philadelphia are covered by this policy. Receipts from services performed by these Philadelphia resident employees at their Philadelphia homes solely as a result of the COVID-19 pandemic will not be sourced to Philadelphia for BIRT and NPT.</p> <p>This special sourcing rule is an exception that applies only for the duration of the Governor and Mayor's emergency stay-at-home orders issued in response to the COVID-19 coronavirus health emergency. This guidance is an exercise of the Department's authority to provide for alternative apportionment when the ordinary rules would not accurately reflect the taxpayer's income attributable to the City."</p> <p><a href="https://www.phila.gov/media/20201207154218/Nexus-sourcing-Philadelphia-covid-19-December2020-policy-update.pdf">https://www.phila.gov/media/20201207154218/Nexus-sourcing-Philadelphia-covid-19-December2020-policy-update.pdf</a> (Dec. 7, 2020)</p>

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
<p>Rhode Island</p>	<p>No (corporate income tax or sales tax)</p>	<p>For the duration of Rhode Island's coronavirus state of emergency, the Rhode Island Division of Taxation will not seek to establish nexus for Rhode Island sales and use tax purposes or for Rhode Island corporate income tax purposes solely because an employee is temporarily working from home during the state of emergency, or because an employee is temporarily working from home during the state of emergency and is using property to allow the employee to work from home (e.g., computers, computer equipment, or similar property) temporarily during the state of emergency.</p> <p>In addition, the performance of any services by such employees within Rhode Island will not, of itself, cause their employer to lose the protection of Public Law 86-272.</p> <p>For the duration of Rhode Island's coronavirus state of emergency, services performed by one or more employees, who previously worked in another state but, solely due to the pandemic, are now working remotely from Rhode Island, will not be considered by the Rhode Island Division of Taxation to increase the numerator of their employer's payroll factor for purposes of apportioning income."</p> <p><a href="http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf">http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf</a> (May 26, 2020).</p>	<p>The employee's regular (pre-pandemic) work state. (Rhode Island appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p>"Under Emergency Regulation 280 RICR 20-55-14, the income of employees who are nonresidents temporarily working outside of Rhode Island solely due to the pandemic will continue to be treated as Rhode Island-source income for Rhode Island withholding tax purposes.</p> <p>Similarly, Rhode Island will not require employers located outside of Rhode Island to withhold Rhode Island income taxes on from the wages of employees who are Rhode Island residents temporarily working within Rhode Island solely due to the pandemic."</p> <p><a href="http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf">http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf</a> (May 26, 2020).</p>

Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
<p>South Carolina</p>	<p>No (for purposes of all South Carolina business taxes)</p>	<p>(August 26, 2020) On August 26, 2020, South Carolina changed the ending date of its' withholding and nexus relief period for COVID-19-related telework from September 30, 2020 to December 31, 2020.</p> <p>(May 15, 2020) Effective from March 13, 2020 to September 30, 2020, South Carolina will not use the temporary change of an employee's work location to impose a South Carolina withholding requirement. This relief does not apply to workers whose status changes from temporary to permanent status during that period.</p> <p>Also effective from March 13, 2020 to September 30, 2020, South Carolina will not use changes solely in an employee's temporary work location due to remote work requirements arising from, or during, that COVID-19 relief period as a basis for establishing nexus (including for Public Law 86-272 purposes) or for altering apportionment of income.</p>	<p>The employee's regular (pre-pandemic) work state. (South Carolina appears to have adopted a "convenience of the employer" rule that only applies during the pandemic.)</p> <p>After the pandemic: presumably the state from which the employee is telecommuting.</p>	<p>"If I have employees temporarily working remotely in South Carolina or outside of South Carolina due to COVID-19, does that impact my employer withholding? Review Information Letters 20-11, 20-24, and 20-29 for more information on how temporary remote working due to COVID-19 impacts employer withholding."</p> <p><a href="https://dor.sc.gov/emergencies">https://dor.sc.gov/emergencies</a></p> <p>Under Information Letter 20-11, "During the COVID-19 relief period, a South Carolina business's withholding requirements are not affected by the current shift of employees working on the employer's premises in South Carolina to teleworking from outside of South Carolina." Also, "During the COVID-19 relief period, an out-of-state business is not subject to South Carolina's withholding requirement solely due to the shift of employees working on the employer's premises outside of South Carolina to teleworking from South Carolina."</p> <p>Under Information Letter 20-29, SC-DOR extended this policy until June 30, 2021.</p>



Chart of State and Local Taxing Authority Responses

Jurisdiction	Nexus imposed due to in-state telecommuters?	Discussion	Who does this state believe may tax a telecommuter's wage income?	Discussion
Vermont	Payroll Withholding	<p>(June 12, 2020) Guidance for Individuals Temporarily Living and Working Remotely in Vermont</p> <p>If you are a non-resident but you are temporarily living and working in Vermont, you have an obligation to pay Vermont income taxes on the income earned while you were living and performing work in Vermont. This is true even if you were in Vermont due to the COVID-19 pandemic, and regardless of whether your employer is located inside or outside of Vermont.</p> <p>For businesses who have remote workers located in Vermont only on a temporary basis, Vermont will not require that business to change the employee's withholding state. However, businesses and their employees who have temporary remote workers in Vermont may wish to discuss a change to the employee's withholding state if the employee intends to be here for an extended time period, albeit temporarily. Workers who have moved to Vermont permanently and make Vermont their domicile will need to have their withholding location changed.</p>	The state from which the employee is telecommuting.	<p>"Guidance for Individuals Temporarily Living and Working Remotely in Vermont</p> <p>If you are a non-resident but you are temporarily living and working in Vermont, you have an obligation to pay Vermont income taxes on the income earned while you were living and performing work in Vermont. This is true even if you were in Vermont due to the COVID-19 pandemic, and regardless of whether your employer is located inside or outside of Vermont.</p> <p>For businesses who have remote workers located in Vermont only on a temporary basis, Vermont will not require that business to change the employee's withholding state. However, businesses and their employees who have temporary remote workers in Vermont may wish to discuss a change to the employee's withholding state if the employee intends to be here for an extended time period, albeit temporarily. Workers who have moved to Vermont permanently and make Vermont their domicile will need to have their withholding location changed."</p> <p><a href="https://tax.vermont.gov/coronavirus/working-remotely">https://tax.vermont.gov/coronavirus/working-remotely</a></p>
Wisconsin	No (for purposes of all Wisconsin business taxes)	<p>"Nexus - Wisconsin will not consider an out-of-state business to have nexus in Wisconsin if its only Wisconsin activity is having an employee working temporarily from the employee's home during this national emergency (COVID-19)."</p> <p><a href="https://www.revenue.wi.gov/WisconsinTaxBulletin/211-11-20-WTB.pdf">https://www.revenue.wi.gov/WisconsinTaxBulletin/211-11-20-WTB.pdf</a> (Nov. 2020).</p>	The state from which the employee is telecommuting.	<p>"Income Tax on Wages - Telecommuting employees continue to report their income based on the guidance in the article titled Telecommuting and Mobile Employees on page 13 of Wisconsin Tax Bulletin 171 (April 2011).</p> <p>Employer Withholding Tax - Wisconsin's withholding tax requirements regarding wages paid to an employee have not changed.</p> <p><a href="https://www.revenue.wi.gov/WisconsinTaxBulletin/211-11-20-WTB.pdf">https://www.revenue.wi.gov/WisconsinTaxBulletin/211-11-20-WTB.pdf</a> (Nov. 2020).</p>

Disclaimer: In response to the coronavirus pandemic, state and local taxing authorities' issuance of guidance regarding the topics in this matrix is highly fluid. As a result, Wipfli believes that the information contained in this chart is accurate, but we cannot guarantee either its completeness or accuracy. If you have questions about the application of this chart to your specific situation, please contact a Wipfli professional.