



COVID-19 TAX ALERT

March 27, 2020

Remote Workers: Impact on State Tax Filings

If your business is in a state with a lockdown or “stay at home” order in place due to COVID-19, such as New Hampshire, you may have employees working at home in a state that is different from the state of your business worksite. This new scenario raises the question of whether your business now has a filing obligation in the states of your remote workers, e.g., “nexus.” This issue implicates not only business income tax filings – both whether the business has to file (nexus) as well as potential sourcing issues (apportionment), but also payroll tax withholding for your employees. As of March 25th, the Tax Executives Institute (TEI) has requested that the states allow employers the option of using the worksite location as the appropriate tax state in lieu of the remote worker’s state of residence. Business owners should continue to pay attention to these developments and RYP’s Tax Practice Group will be following them closely.

For more information, contact [Kathryn Michaelis](#) and [Chris Sullivan](#).