



# Washington Update



## DATA ACT PASSES HOUSE, GOES TO THE PRESIDENT

The Senate version (S. 994) of the Digital Accountability and Transparency Act (DATA Act) was passed by the House of Representatives last Monday, and is expected to be signed into law by President Obama sometime this week. S. 994 does not include additional recipient reporting but does require federal grant recipients to adopt financial data standards that are to be developed and required by the bill. Additionally, the bill requires a pilot program to assess duplicative reporting and to identify burdens associated with expanded government-wide reporting for grant recipients. The required reports to be submitted during the pilot are to be determined by the U.S. Office of Management and Budget.

**NASACT will be reaching out to Treasury to provide input into the development of required data standards and to OMB in the development of a pilot program.**

Sens. Mark Warner (D-VA) and Rob Portman (R-OH) sponsored the legislation. In a joint statement last Monday with other lawmakers who backed the bill, Warner said

“In the digital age, we should be able to search online to see how every grant, contract and disbursement is spent in a more connected and transparent way through the federal government.”

A copy of the bill is available at [www.gpo.gov/fdsys/pkg/BILLS-113s994es/pdf/BILLS-113s994es.pdf](http://www.gpo.gov/fdsys/pkg/BILLS-113s994es/pdf/BILLS-113s994es.pdf).

## SEC CHAIR OUTLINES RECENT & FUTURE ACTIVITIES

As Congress returned from spring recess last week, one of the first orders of business was a discussion of recent activities of the Securities and Exchange Commission. SEC Chairman Mary Jo White appeared before the House Financial Services Committee to discuss recent and future activities as well as the SEC's fiscal year 2015 budget request. Recent SEC activities include:

- The registration and regulation of nearly a thousand municipal advisors.
- Proposals to strengthen and reform the structure of money market funds.
- Charging the city of Harrisburg with making materially misleading statements in the secondary municipal market.
- Charging the state of Illinois with misleading investors about the adequacy of its plan to fund its pension obligations.
- Charging the city of Miami with misrepresenting its financial health and for violating a prior cease-and-desist order for similar conduct.
- Launching an initiative intended to encourage self-reporting and promote improved disclosure and transparency by municipal issuers.

Focusing on the future activities within the Office of Municipal Securities (OMS), Chairman White noted:

- Compliance with the final rules on municipal advisors will be required on July 1, 2014, with a phased-in compliance period for registration under the final forms beginning on that day and ending on October 31, 2014.
- OMS will continue to monitor current issues in the municipal securities market, such as pension disclosure, accounting and municipal bankruptcy issues.
- OMS will assist in considering further recommendations to the full Commission with respect to disclosure, market structure and price transparency in the municipal securities markets.

Chairman White's full testimony and hearing video can be found at <http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=377131>.

## HOUSE DISCUSSES CHANGING THE WAY STATES TAX INCOME

The House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law held a hearing last Tuesday to discuss the merits of H.R. 1129, the Mobile Workforce State Income Tax Simplification Act. The bill would prohibit the wages earned by an employee who performs employment duties in more than one state from being subject to income tax in any state other than the state of the employee's residence and the state within which the employee is present and performing employment duties for more than 30 days during the calendar year. Jeffrey Porter, chair of the Tax Executive Committee of the American Institute of Certified Public Accountants, testified in support of the bill:

"H.R. 1129 limits the authority of states to tax certain income of employees for employment duties performed in other states. More specifically, the bill prohibits states from taxing most non-resident employees unless the employee is present and performing employment duties for more than 30 days during the calendar year... The AICPA strongly supports H.R. 1129. We believe the bill provides relief from the current web of inconsistent state income tax and withholding rules that impact employers and employees."

Patrick Carter, director of the Division of Revenue for the State of Delaware and Past President, Federation of Tax Administrators, had a different take on the legislation, noting:

"It makes sense for Congress to minimize the intrusion into state authority and avoid disruption of state revenue systems... H.R. 1129 runs directly counter to a fundamental, underlying principle of income taxation – namely that income should be taxed where it is earned... This is the principle on which the federal government's own individual income tax is based, as well as the income taxes imposed by states."

H.R. 1129 is sponsored by Rep. Howard Coble (R-NC), has 32 co-sponsors, and has companion legislation in the Senate (S. 1645). Testimony from all panelists and the hearing video archive can be found at <http://>

[judiciary.house.gov/index.cfm/hearings?ID=9F775A45-980D-4BD1-B5DE-3C061BF51E4B](http://judiciary.house.gov/index.cfm/hearings?ID=9F775A45-980D-4BD1-B5DE-3C061BF51E4B).

## HOUSE SUBCOMMITTEE FOCUSES ON FINANCIAL LITERACY

With many state financial officials across the country focusing on financial literacy, the House Financial Services Subcommittee on Financial Institutions and Consumer Credit held a hearing last Wednesday on this same topic. During the hearing, the U.S. Government Accountability Office released its financial literacy report which gave an overview of federal activities, progress and challenges. GAO noted that "Given the wide array of state, local, nonprofit, and private organizations providing financial literacy programs, it is essential to leverage private-sector resources and coordinate federal activities with resources at the community level."

A familiar topic discussed during the hearing was Visa's "Financial Football" program, which combines the structure and rules of the NFL with financial education questions of varying difficulty. According to Visa, they have created Financial Football partnerships with 44 state governments: "We've partnered with governors, state treasurers and other elected officials to distribute Financial Football to more than 28,000 middle and high schools across the country."

The GAO Financial Literacy report can be found at <http://financialservices.house.gov/uploadedfiles/hhrg-113-ba15-wstate-acackley-20140430.pdf>.

Testimony from all panelists and hearing video can be found at <http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=377228>. ■

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