

# Washington Update



## STATE FINANCE BILLS DISCUSSED BY JUDICIARY COMMITTEE

Last Tuesday, the House Judiciary Committee held a hearing on legislation that would affect state government finances. The first bill, the Mobile Workforce State Income Tax Simplification Act (H.R. 2315), prohibits the wages earned by an employee 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. The bill also exempts employers from withholding tax and information reporting requirements for employees not subject to income tax under this act. The allows an employer, for purposes of determining penalties related to employer withholding or reporting requirements, to rely on an employee's annual determination of the time the employee will spend working in a state, in the absence of fraud or collusion

by such employee. H.R. 2315 has 35 cosponsors and companion legislation in the Senate (S. 386).

The second bill, the Digital Goods and Services Tax Fairness Act (H.R. 1643), prohibits a state or local jurisdiction from imposing multiple or discriminatory taxes on the sale or use of a digital good or service delivered or transferred electronically to a customer. The bill would also restrict taxation of a digital good or service to taxation by a state or local jurisdiction whose territorial limits encompass a customer tax address, and makes the seller of digital goods or services responsible for obtaining and maintaining such address. H.R. 1643 has 3 cosponsors and companion legislation in the Senate (S. 851).

Testimony during the hearing was provided by Dan Crippen, executive director of the National Governors Association (NGA). In his remarks, he stated:

“When it comes to federal bills that affect state taxation, governors’ principles are straight forward. First, decisions about state revenue systems and state taxation should be made by elected officials in states, not the federal government. Second, when Congress does act, its actions should favor the preservation of state sovereignty over federal preemption. And, third, the federal government should avoid legislation and regulations that restrict or prohibit, either directly or indirectly, sources of state revenues or state taxation methods that are otherwise constitutional. The bills being considered today fall short of some or all of these criteria. NGA cannot support the proposals as drafted.”

Hearing video and testimony from all panelists can be found at <http://judiciary.house.gov/index.cfm/hearings?ID=4589A497-16FD-44D6-94CE-3F78A6222CB2>.”



## THE WEEK AHEAD: WAGE STANDARDS, SNAP AND WASTEFUL GOVERNMENT SPENDING

Several hearings of note take place this Wednesday:

The House Education and Workforce Subcommittee on Workforce Protections will conduct a hearing on “Reviewing the Rules and Regulations Implementing Federal Wage and Hour Standards.”

- <http://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=398974>

The House Agriculture Committee will look at the “Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder.”

- <http://agriculture.house.gov/hearing/full-committee-agriculture-%E2%80%93-public-hearing-past-present-future-snap>

The Senate Homeland Security and Governmental Affairs Subcommittee on Federal Spending Oversight and Emergency Management will look at “Wasteful Spending in the Federal Government: An Outside Perspective.” Panelists include Mr. Chris Edwards, director of Tax Policy Studies and editor of [www.DownsizingGovernment.org](http://www.DownsizingGovernment.org) at the Cato Institute, and Dr. Donald Kettl, professor of public policy at the University of Maryland.

- <http://www.hsgac.senate.gov/hearings/wasteful-spending-in-the-federal-government-an-outside-perspective>

The Senate Judiciary Committee will conduct a hearing entitled “Examining the Federal Regulatory System to Improve Accountability, Transparency and Integrity.”

- <http://www.judiciary.senate.gov/meetings/examining-the-federal-regulatory-system-to-improve-accountability-transparency-and-integrity>

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