From: Miller, Wood [mailto:Wood.Miller@dor.mo.gov]
Sent: Monday, May 10, 2010 1:17 PM
To: Loretta King
Subject: MTC: Comments from Missouri for Public Hearing for Proposed Mobile Workforce Withholding and Individual Income Tax Statute

To: Shirley Sicilian, Hearing Officer
From: Wood Miller, Managing Counsel, General Counsel's Office, Missouri Department of Revenue
Date: May 10, 2010
RE: Proposed Model Mobile Workforce Withholding and Individual Income Tax Statute

These commits are submitted in regard to the threshold number of days contained in the proposed model statute. While it is desirable to balance the benefits and costs of tax administration for both individual income tax and for withholding tax and for both employers and for the state tax administrator, the current proposal includes a threshold of twenty days for both the jurisdiction for a non-resident individual to be subject to a states income tax and for his employer to be subject to that non-resident state's withholding tax requirement. In setting the threshold, there is a concern that the costs may begin to outweigh the benefits not only in terms of tax amounts but also in terms of administrative costs. Corporate income tax payers are already familiar with a 14 day threshold connected with P.L. 86-272 and the Statement of Information Concerning Practices of Multistate Tax Commission and Signatory States under Public Law 86-272. Therefore, consideration could be given to the benefits derived from a uniformity of standards across taxation of income.

Thank you for considering my comments.

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