



MULTISTATE TAX COMMISSION

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To:	Income and Franchise Tax Subcommittee
From:	Roxanne Bland, MTC Counsel
Date:	July 24, 2011
Subject:	Report on Pending Federal Legislation, 112 th Congress

1. H.R. 1439, Business Activity Simplification Act of 2011

Expands the federal prohibition against state taxation of interstate commerce to: (1) include taxation of out-of-state transactions involving all forms of property, including intangible personal property and services (currently, only sales of tangible personal property are protected); and (2) prohibit state taxation of an out-of-state entity unless such entity has a physical presence in the taxing state that is not “limited” or “transient.” Sets forth criteria for determining that a person has a physical presence in a state. Introduced 4/8/11. Sponsor: Rep. Bob Goodlatte, D-VA. Referred to Subcommittee on Commercial and Administrative Law. Current Activity: Mark-up held 7/7/11, passed Judiciary Committee. Bill not likely to be sent to the full House before the August recess; has to be scored by CBO for whether it represents an unfunded mandate. Current activity: Once CBO completes its work, it may be placed on calendar for floor consideration after the August recess.

2. H.R. 1864, Mobile Workforce State Income Tax Simplification Act of 2011

Limits state taxation of the wages or other remuneration of any employee who performs duties in more than one state to: (1) the state of the employee's residence; and (2) the state in which the employee is present and performing employment duties for more than 30 days. Exempts from the definition of "employee" for purposes of this Act a professional athlete or entertainer or certain public figures. Introduced by Mr. Hank Coble (R-NC) on 5/12/11. Current Activity: No markup scheduled.

3. H.R. 1416, Crime Victim Restitution and Court Fee Intercept Act

Amends the Internal Revenue Code to direct the Secretary of the Treasury, upon receiving notice from a state judicial agency that a named person owes a past-due, legally enforceable state judicial debt, to pay such debt from any tax refund due to such person. Introduced on 4/7/11. Sponsor: Rep. Erik Paulsen, R-MN. Current activity: Not slated for action, but sponsor continues to recruit co-sponsors.