



# Global Mobility Tax

*Tax Topic:* **Domestic Short-Term Assignments**



**Do you have employees that travel from one US state to another for work, meetings or trainings?**

Why should you care?

**Employee Experience & Corporate Compliance & Policy**

**At GMT, we are ready to help:**

1. Identify & quantify the risks of payroll noncompliance
2. Discuss & draft an action plan
3. Help you find the stakeholders & create reports to support the action plan
4. Assist with systems integration to automate the process
5. Analyze & assist with trailing liabilities due to equity

## Employee Experience

- Employee will often remain a **tax resident** in home state
- Working in another state gives rise to employee taxation in that other state
  - Most state laws have **very low thresholds** for taxation
  - Income tax rates in host state may be higher (increasing employee tax burden)
  - **High risk of double taxation:** employee may not know how to use off-setting tax credits to avoid double tax
- Employee is required to file a tax return in other state
  - Now the employee **must file 2 state tax returns** (home state & work state)

## Corporate Compliance & Policy

- Employee **wage reporting & tax withholding** is required in other state
- Lack of clear policy leads to employee dissatisfaction & disengagement

## What can be done?

- **Educate the employee** about tax impact & filing requirements
- Prepare employer **payroll team** & HRIS to enable compliance
- Develop a policy for short term assignments that addresses:
  - minimum day thresholds for employer compliance & action
  - determine whether tax costs will be reimbursed by employer
  - education regarding general awareness & company process
  - provide professional tax support, ease employee tax compliance burden & ensure compliant tax filings

**CALL US TODAY FOR A FREE CONSULTATION!**

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