



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004-1081

November 15, 2011

The Honorable Lamar S. Smith
Chairman
Committee on the Judiciary
United States House of Representatives
Washington, D.C. 20515

The Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Conyers:

I am writing to you on behalf of the 377,000 members of the American Institute of Certified Public Accountants (AICPA) concerning H.R. 1864, the Mobile Workforce State Income Tax Simplification Act of 2011. This bill is critically important to thousands of CPA firms and many of their business clients, as well as the thousands of CPAs employed by companies. Small businesses are particularly impacted. I understand that the bill will be marked up by the House Committee on the Judiciary on November 17, 2011, and I urge you to support the bill.

Thousands of CPA firms have employees who periodically work in states other than their home state. And these CPA firms have many business clients who have employees who work in more than one state for whom they calculate state tax withholding. CPAs employed by companies with multi-state operations are similarly affected. Because of the myriad of state income tax withholding laws, and varying *de minimis* exemption periods, compliance is extremely difficult and time consuming.

The bill would require that an employee's earnings would be subject to state income tax and withholding when the employee performs work in a state for more than 30 days during the calendar year. We believe that this is an appropriate balance. Having a uniform national standard will significantly simplify compliance with all of the different state laws. The bill will mean most employers will be better able to judge which employees will need to withhold income taxes in states other than their home state.

This simplified compliance will significantly ease the regulatory burden on the employer and should enhance compliance when withholding is required. The AICPA strongly supports the bill.

I would ask that you sign onto H.R. 1864 as a co-sponsor and support the Committee markup of the bill.

Thank you for consideration of this important issue.

Sincerely,

Barry C. Melancon, CPA
President and CEO

Cc. Members of the House Committee on the Judiciary