



Testimony for Massachusetts Department of Revenue, Rulings and Regulations Bureau

Thank you for the opportunity to provide testimony on the proposed regulation 830 CMR 62.5A.3: Massachusetts Source Income of Non-Residents Telecommuting Due to the COVID-19 Pandemic. My name is Greg Moore, and I'm the State Director of Americans for Prosperity-New Hampshire. As one of the largest grassroots organizations in the nation, Americans for Prosperity (AFP) has chapters in 35 states and is dedicated to advancing policies that help people improve their lives.

New Hampshire AFP activists and I are disappointed by this proposed rule that was published by the Massachusetts Department of Revenue. Massachusetts should be seeking ways to find tax relief to help citizens in this challenging time instead of attempting to have their cake and eat it too on the backs of New Hampshire residents. This is especially true given that Massachusetts aggressively seeks to apply their state income tax to employees of companies that live outside of Massachusetts when they work in the Bay State.

The emergency rule would change the manner in which out-of-state residents owe income taxes when working for an employer based in Massachusetts. Due to Coronavirus shutdowns, many individuals began working from home, largely at the direction or mandate of the state. Historically, the Commonwealth would credit New Hampshire residents for days not worked in the state. Now with revenue down [29 percent](#) from last year, the Massachusetts government is attempting to balance the budget on the backs of hard working Granite Staters.

Additionally, this rule is retroactive, meaning individuals that have lived in New Hampshire, but worked for a Massachusetts employer would be forced to see their paychecks get clawed back to the Commonwealth. For the average employee making around \$70,000, the income tax liability for the past five months that individuals have spent working out of their homes would be nearly \$1,500. That is an outrageous and brazen effort to punish those who have followed guidance and who worked to keep Massachusetts safe.

Good tax policy commands that wherever you physically work is where you should be taxed, which is why so many people come to live in New Hampshire since we are able to balance our budget without a sales or an income tax. Furthermore, this emergency order is counter to long-standing tax policy of the Commonwealth of Massachusetts that income is charged where you work, not where you live.

I urge you to reject this regulation and not punish hardworking Granite Staters for following COVID-19 protocols and keeping the Bay State safe during this public health crisis.

Sincerely,

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