



Senate Veterans Affairs & Emergency Preparedness Committee

Senator Bob Mensch

Chairman

Matthew D. Azeles, *Executive Director*

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Summary of Senate Bill 1480, P.N. 2300

Prime Sponsor: Mensch

A. Synopsis

Amends Title 35 (Health and Safety) to give tax exemptions to out of state businesses who are working in the state during Presidential or Gubernatorial declared disasters.

B. Bill Summary

Senate Bill 1480 sponsored by Senator Mensch amends Title 35 (Health and Safety) in the following ways:

- Defines the following terms:
 - Disaster emergency-related work
 - Infrastructure
 - Out-of-state business
 - Registered business
- It amends Section 7308 to say that if the Governor or President has declared a disaster emergency the following shall apply:
 - An out-of-state business that is conducting operations within the Commonwealth for the purposes of emergency related work for not more than 10 days before and not more than 60 calendar days after the end of a declared disaster the business would not have had the presence to require them to file and remit state and or local taxes.
 - These taxes and fees would include unemployment insurance, sales and use tax or property tax on equipment brought into the Commonwealth on a temporary

basis used or consumed or local occupational licensing fees or local services taxes.

- An out of state employee shall not be considered a resident in this state therefore the individual or employer shall not have to file and pay income taxes, any state or local fee and any related state or local employer withholding or remittance obligations.
 - The period of time these exemptions can be extended by the Governor by not more than 30 days for each declared disaster emergency.
 - Provides that no entity or individual is relieved from liability not explicitly exempted, which includes damages due to negligence.
- This act shall take effect in 60 days.

C. Current Law

Currently, there are no tax exemptions for out of state businesses while on emergency assignments in the Commonwealth.

There are not definitions for the following:

- Disaster emergency-related work
- Infrastructure
- Out-of-state business
- Registered business

Section 7308 currently allows for laws to be suspended during emergency assignments when the Governor declares an emergency. It says that agencies may implement their emergency assignments without regard to procedures required by other laws pertaining to the performance of public work, entering into contracts, incurring of obligations, employment of temporary workers, rental of equipment, purchase of supplies and materials and expenditure of public funds.