

TAX & PAYROLL CONSIDERATIONS IN LIGHT OF COVID-19

September 2020

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Agenda

▶ US Considerations

- Federal changes
- State changes - CT, MA, and RI
- State changes - other states
- Remote and Mobile Worker Relief Act of 2020
- Section 139 opportunities
- Impact to non-resident aliens living in the U.S.
- Impact to US citizens living abroad

▶ Global Considerations

- Country overview
- Residency status
- OECD guidance

US CONSIDERATIONS

Federal Changes



Tax Compliance and Reporting

Due Dates - 2019 Compliance

- ▶ Under IRS Notice 2020-18, individual income tax filings and payments were postponed to July 15, 2020.
- ▶ The Secretary of the Treasury determined that any person with a Federal income tax payment or a Federal income tax return due April 15, 2020, was affected by the COVID-19 emergency.
- ▶ There was no limitation on the amount of payment that could be postponed to July 15, 2020.
- ▶ Relief was provided to individuals, trusts, estates, partnerships, associations, companies, and corporations.
- ▶ Any interest or penalty that was postponed by the Notice began to accrue on July 16, 2020.
- ▶ No extension was provided for the payment of any other type of Federal tax or for the filing of any Federal information return.



Tax Compliance and Reporting

Due Dates - 2020 Compliance

- ▶ Relief also included estimated tax payments for tax year 2020.

Payment Period	Due Date
January 1 - March 31	April 15, 2020 - <i>extended to July 15, 2020</i>
April 1 - May 31	June 15, 2020 - <i>extended to July 15, 2020</i>
June 1 - August 31	September 15, 2020
September 1 - December 31	January 15, 2021



Economic Impact Payment

- ▶ Eligible U.S. citizens and U.S. resident aliens will receive the Economic Impact Payment (EIP) of \$1,200 (single filers) or \$2,400 (married filing jointly) if they are not a dependent of another taxpayer and have a work eligible Social Security number with adjusted gross income up to:
 - \$150,000 for married couples filing joint returns
 - \$112,500 for head of household filers
 - \$75,000 for all other eligible individuals

- ▶ Taxpayers will receive a 5% reduction in their payment for the amount their AGI is above these amounts.

- ▶ The EIP payment will not be taxable on the taxpayer's 2020 income tax return.

- ▶ Eligible taxpayers who receive a smaller-than-expected EIP may qualify to receive an additional amount with the filing of their 2020 income tax return. The EIP is an advance payment of a new temporary tax credit that eligible taxpayers can claim on their 2020 income tax return.



Employee Retention Credit (ERC)

Employers Subject to Closure Due to COVID-19

- ▶ The ERC is a refundable payroll tax credit for employers who are impacted by COVID-19, but retain their employees. The credit is:
 - Equal to 50% of qualified wages paid to employees between March 12, 2020 and December 31, 2020.
 - Capped at \$10,000 of wages per employee.
- ▶ The maximum available credit is \$5,000 per employee (50% of \$10,000).
- ▶ Employers qualify for the credit if:
 - Their operations were fully or partially suspended due to a COVID-19 related shutdown order, or
 - Their gross receipts for the quarter were less than 50% of the gross receipts for the same quarter in the prior year.
- ▶ Employers with more than 100 full-time employees (on average in 2019) would only receive the credit for wages paid to employees who are not working.
- ▶ Sick pay and FMLA wages paid as a result of the Families First Coronavirus Response Act are specifically excluded.
- ▶ Any employer who receives a loan by virtue of the Small Business Act (SBA), as extended by this Act, is ineligible to receive this credit.



Employer Payroll Taxes

Delay of Payment

- ▶ Section 2302 of the CARES Act permits employers to defer payment of the employer's portion of Social Security taxes (6.2%) that would otherwise be due and payable through December 31, 2020.
- ▶ Employers would be required to pay 50% of the deferred amount on or before December 31, 2021, with any remaining amount paid on or before December 31, 2022.
- ▶ During the period of deferral, the employer will be treated as having made timely deposits of applicable taxes, as long as payments are made when they are due.
- ▶ Self-employed individuals would be eligible to defer 50% of self-employment Social Security tax payments.
- ▶ Taxpayers who have small business loan debt forgiven under Section 1106 of this Act are ineligible for this deferral.



Paycheck Protection Program (PPP)

- ▶ The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- ▶ The Small Business Administration (SBA) will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- ▶ Employers with 500 or fewer employees are eligible.
- ▶ The loan is provided for up to 2.5 times the employer's payroll costs, with a maximum loan of \$10 million.
- ▶ The loan is forgivable to the extent the employees are still employed at June 30, 2020 and compensation is not reduced more than 25%.



Deferring Employee Payroll Tax Obligations

The President's Executive Order dated August 8, 2020

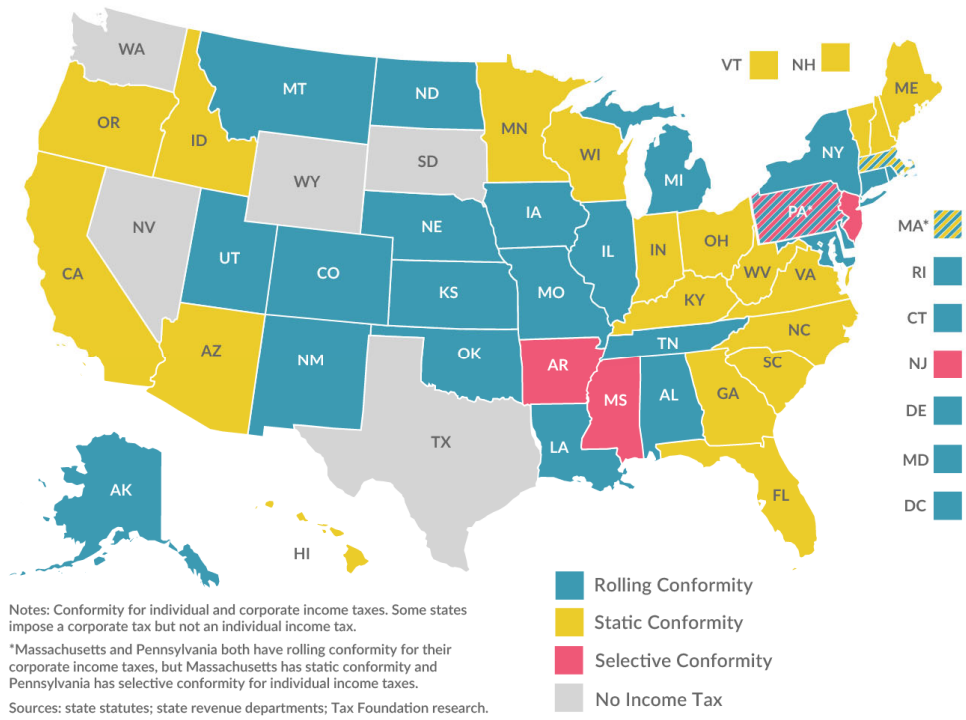
- ▶ The deferral applies to wages paid during the period September 1 through December 31, 2020.
- ▶ Applies to employees who make less than \$4,000 (before taxes) on a bi-weekly (or similar) basis (i.e., does not apply to employees making \$104,000 or more per year).
- ▶ The executive order only delays—it does not forgive—the employee's share of Social Security tax on wages paid September 1 through December 31, 2020. It does not apply to the employer's portion of FICA.
- ▶ Interest and penalties will not accrue during the deferral period for the employee's share of Social Security.
- ▶ Guidance has been issued in Notice 2020-65. Deferral is optional.

US CONSIDERATIONS

State Changes & Nexus

State IRC Conformity Methods

As of January 1, 2020



Source: Tax Foundation



State Changes - Compliance

Connecticut

- ▶ Due date for 2019 individual income tax returns and payments was July 15, 2020. Extension was automatic.
- ▶ There was no extension available for withholding tax.
- ▶ Due date for Q1 and Q2 estimated payments was July 15, 2020.
- ▶ No interest or penalty will be assessed during the automatic extension period.



State Changes - Payroll & Nexus

Connecticut

- ▶ Connecticut will not change withholding requirements for businesses based on an employee's temporary telework location within Connecticut. For example if Sally lives in Connecticut but generally works in Massachusetts, Connecticut will not require the employer to now withhold Connecticut income tax as a result of Sally temporarily working in Connecticut as a result of the coronavirus pandemic.
- ▶ Connecticut has not changed the state's nexus requirements.



State Changes - Compliance

Massachusetts

- ▶ Due date for 2019 individual income tax returns and payments was July 15, 2020. Extension was automatic.
- ▶ Due date for Q1 and Q2 estimated payments was July 15, 2020.
- ▶ Interest and penalties began accruing July 16, 2020.



State Changes - Payroll & Nexus

Massachusetts

- ▶ On July 21, 2020, Massachusetts issued TIR 20-10, which discusses nexus and teleworking. TIR 20-10 is effective until the earlier of 12/31/2020, or 90 days after the state of emergency in Massachusetts is lifted.
- For the duration of the Massachusetts COVID-19 state of emergency, all compensation received for personal services performed by a nonresident who, immediately prior to the Massachusetts COVID-19 state of emergency, was an employee engaged in performing such services in Massachusetts, and who, during such emergency, is performing such services from a location outside Massachusetts due solely to the Massachusetts COVID-19 state of emergency, will continue to be treated as Massachusetts source income subject to personal income tax and withholding.
- A resident employee suddenly working in Massachusetts due to a state's COVID-19 state of emergency who continues to incur an income tax liability in that other state because of that state's sourcing rule will be eligible for a credit for taxes paid to that other. In addition, the employer of such employee is not obligated to withhold Massachusetts income tax for the employee to the extent that the employer remains required to withhold income tax with respect to the employee in such other state.



State Changes - Payroll & Nexus

Massachusetts (cont'd)

- ▶ For example Tom lives in Storrs, Connecticut and prior to the coronavirus pandemic was an employee engaged in performing services in Massachusetts. As a result of the COVID-19 state of emergency in Massachusetts Tom is now teleworking from his home in Storrs, Connecticut. As set forth in Massachusetts TIR 20-10 the compensation that Tom receives as a nonresident of Massachusetts while teleworking in Connecticut will continue to be treated as Massachusetts source income subject to personal income tax and withholding.
- ▶ Maura lives in Sturbridge, Massachusetts and prior to the coronavirus pandemic was an employee engaged in performing services in Hartford, Connecticut. Due to the COVID-10 state of emergency Maura is teleworking from her home in Sturbridge and continues to incur an income tax liability in Connecticut. Maura will be eligible to claim a credit on her resident Massachusetts income tax return for the nonresident income tax liability she incurs in Connecticut. In addition Maura's employer in Connecticut is not obligated to withhold Massachusetts income tax since Maura's employer remains required to withhold income tax in Connecticut where Maura would normally perform services as an employee prior to the coronavirus pandemic.



State Changes - Payroll & Nexus

Massachusetts (cont'd)

- ▶ For the duration of the Massachusetts COVID-19 state of emergency, the state will not consider the presence of one or more employees working remotely from Massachusetts solely due to the pandemic to be sufficient in and of itself to establish corporate nexus. In addition, such presence will not, in and of itself, cause a corporation to lose the protections of Public Law 86-272.



State Changes - Compliance

Rhode Island

- ▶ Due date for 2019 individual income tax returns and payments was July 15, 2020. Extension was automatic.
- ▶ Due date for Q1 and Q2 estimated payments was July 15, 2020.
- ▶ Interest and penalties began accruing July 16, 2020.



State Changes - Payroll & Nexus

Rhode Island

- ▶ Under the emergency regulation, the income of employees who are nonresidents temporarily working outside of Rhode Island solely due to the pandemic will continue to be treated as Rhode Island-source income for Rhode Island withholding tax purposes. In addition, Rhode Island will not require employers located outside of Rhode Island to withhold Rhode Island income taxes from the wages of employees who are Rhode Island residents temporarily working within Rhode Island solely due to the pandemic.
- ▶ For the duration of Rhode Island's coronavirus state of emergency, the state will not seek to establish nexus for Rhode Island corporate income tax purposes solely because an employee is temporarily working from home during the state of emergency, or because an employee is temporarily working from home during the state of emergency and is using property to allow the employee to work from home (e.g., computers, computer equipment, or similar property) temporarily during the state of emergency. In addition, the performance of any services by such an employee within Rhode Island will not, in and of itself, cause their employer to lose the protection of Public Law 86-272.



State Changes - Payroll & Nexus

Rhode Island (cont'd)

- ▶ For example Brad lives in Old Saybrook, Connecticut and prior to the coronavirus pandemic was an employee engaged in performing services in Watch Hill, Rhode Island. Brad is a Connecticut resident and a Rhode Island nonresident for income tax purposes. Due to the coronavirus pandemic Brad is teleworking from his home in Old Saybrook. Under the Rhode Island emergency regulation Brad's income earned while temporarily working in Connecticut, solely due to the coronavirus pandemic, will continue to be treated as Rhode Island source income for Rhode Island withholding tax purposes.
- ▶ Jennifer is a resident of Rhode Island who worked in Clinton, Connecticut prior to the coronavirus pandemic. Her employer is a corporation incorporated in the State of Connecticut. Rhode Island will not require Jennifer's employer to withhold Rhode Island income taxes from her wages even though she is working from her home in Rhode Island since Jennifer is temporarily working within Rhode Island solely due to the coronavirus pandemic.



State Changes - Payroll & Nexus

Other States: Georgia

- ▶ Wages paid to a nonresident employee who normally works in Georgia, but that is temporarily working in another state, is considered Georgia wages and should continue to have Georgia income tax withheld. Displaced employees who are temporarily working in Georgia are not subject to Georgia income tax withholding. (These temporary guidances only extend for the periods of time where an official work from home order is issued or the employee is under orders from a physician to work from home.)
- ▶ In response to the remote work requirements associated with the pandemic, the state will not use an employee's relocation as the basis for establishing nexus or for exceeding the protections of it. (If an employee remains in Georgia after the work from home order has ended, the normal rules for determining nexus will apply. A company may not assert that solely having a temporarily displaced employee in Georgia establishes nexus for the company or protects it from the creation of nexus.)



State Changes - Payroll & Nexus

Other States: Illinois & Indiana

Illinois:

- ▶ Employee compensation is subject to Illinois income tax withholding when the employee has performed normal work duties in Illinois for more than 30 workday days. If an Illinois resident employee has performed work for more than 30 working days from their home in Illinois for an out-of-state employer, the employer may be required to register with the Illinois Department of Revenue and withhold Illinois income tax from the employee.

Indiana:

- ▶ In response to the remote work requirements, the state will not use an employee's relocation (as a direct result of temporary remote working requirements arising from the pandemic) as the basis for establishing nexus or exceeding the requirements thereof for the employer of the temporary relocated employee. If an employee remains in Indiana after the work from home order has ended, the normal rules for determining nexus will apply. A company may not assert that solely having a temporarily displaced employee in Indiana establishes nexus for the company or protects it from the creation of nexus.



State Changes - Payroll & Nexus

Other States: Iowa & New Jersey

Iowa:

- ▶ Compensation for personal services rendered within Iowa is subject to Iowa income tax, unless that income is exempted by a specific provision to Iowa law. Generally, an employer maintaining an office or transacting business within Iowa is required to withhold for employees. An Iowa resident's income tax return filing requirements should not be affected by temporary telecommuting in Iowa or another state. Nonresidents of Iowa who normally work in Iowa, or who normally work outside of Iowa but are temporarily telecommuting in Iowa, may need to adjust their income apportionment or their Iowa income tax return filing requirement.

New Jersey:

- ▶ New Jersey sourcing rules dictate that income is sourced based on where the service or employment is performed based on a day's method of allocation. However, during the pandemic, wage income will continue to be sourced as determined by the employer in accordance with the employer's jurisdiction.



State Changes - Payroll & Nexus

Other States: New Mexico, Ohio, & Pennsylvania

New Mexico:

- ▶ For timely filed CRS returns, withholding deposits due from March 25 to July 25, 2020, may be made without penalty or interest by April 25, 2021.

Ohio:

- ▶ For municipal income taxes, work-at-home employees during COVID-19 emergency declaration and for 30 days thereafter have compensation still assigned to principle base of operations and don't create municipal income tax nexus for the employer.

Pennsylvania:

- ▶ If the employee is working from home temporarily due to the pandemic, the state will not consider this as a change to the sourcing of the employee's compensation. The employee's compensation will remain taxable in Pennsylvania and the employer is required to withhold on this compensation.



State Changes - Payroll & Nexus

Other States: South Carolina & Vermont

South Carolina:

- ▶ Effective from March 13, 2020 through September 30, 2020, South Carolina will not use the temporary change of an employee's work location during the COVID-19 relief period to impose a South Carolina withholding requirement. The wages of nonresident employees temporarily working remotely in another state instead of their South Carolina business location are still subject to South Carolina withholding. The wages of a South Carolina resident employee temporarily working remotely from South Carolina instead of their normal out-of-state business location are not subject to South Carolina withholding if the employer is withholding income taxes on behalf of the other state.
- ▶ South Carolina will not use changes solely in an employee's temporary work location due to the remote work requirements arising from, or during, the COVID-19 relief period (March 13, 2020 - September 30, 2020) as a basis for establishing nexus or altering apportionment of income.

Vermont:

- ▶ Employers with employees who are temporarily working in Vermont are not required to change these employees' work state(s), but may need to consider doing so if the employee will continue working in Vermont for an extended period.



Convenience of the Employer Test

- ▶ A Convenience of the Employer Test is currently used by five states: Connecticut, Delaware, Nebraska, New York and Pennsylvania.
- ▶ The amendment to the Connecticut statute for taxable years beginning on or after January 1, 2019 is just one sentence - “For purposes of determining the compensation derived from or connected with sources within this state, a nonresident natural person shall include income from days worked outside this state for such person's convenience if such person's state of domicile uses a similar test.” Only states with a Convenience of Employer Test would be considered. For example Sarah lives in White Plains, New York and works in Stamford, Connecticut. If Sarah works from home for her convenience the compensation for that work day is Connecticut source income.
- ▶ The New York Department of Taxation and Finance in TSB-M-06(5)I dated May 15, 2006 relaxed the “convenience of the employer” test for nonresidents whose assigned or primary work office is in New York but whose home office is outside the state. The revised application of the test treats days spent in a home office as worked outside the state if the taxpayer's home office is a bona fide employer office. To allocate days for work out-of-state, the nonresident employee must perform work outside New York on a given day as a requirement of the employer and not for the convenience of the employee.



Remote and Mobile Worker Relief Act of 2020 (S. 3995)

- ▶ Introduced in the US Senate on June 18, 2020.
- ▶ For employees working in a nonresident state for less than 30 days in a calendar year, states would be prohibited from assessing income tax.
- ▶ In response to COVID-19, the bill would prohibit the assessment of state income tax and withholding for employees temporarily working a state for less than 90 days.
- ▶ S. 3995 also provides nexus relief to companies with remote workers.
- ▶ The period of coverage begins on the date in which an employee began working remotely and ends the earlier of the date that the employee is allowed to return to their primary work location or December 31, 2020.

US CONSIDERATIONS

Section 139 - Disaster Relief Payments



Section 139 Opportunities

Disaster Relief Payments

- ▶ Since COVID-19 has been declared a national emergency, Internal Revenue Code (IRC) Section 139 can be used to allow employers to make tax-free payments or reimbursements to employees as “qualified disaster relief payments.”
- ▶ Qualified disaster relief payments are payments that are not otherwise reimbursed by insurance, which are made by an employer to an employee that are *reasonably* expected by the employer to:
 - Reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster; and
 - Reimburse or pay reasonable and necessary expenses incurred for the repair of a personal residence, or repair or replacement of its contents to the extent that the need for such repair or replacement is attributable to a qualified disaster.
- ▶ Wage replacement (such as paid sick or other leave) would not be covered by IRC Section 139.
- ▶ Employers may pay for, reimburse, or provide employees with tax-free payments for the cost of child-care due to school closings, work-from-home expenses, etc. In addition the flight costs for an employee who was living abroad and needed to return to his/her home country as a result of the pandemic would also qualify and would not need to be included in compensation.



Section 139 Opportunities (cont'd)

Disaster Relief Payments

- ▶ Qualified disaster relief payments are not taxable for US Federal income tax purposes to employees and are fully deductible by the employer.
- ▶ States generally exclude qualified disaster relief payments from the definition of wages.
- ▶ There is no limit imposed on the amount or frequency of qualified disaster relief payments.
- ▶ Employers are not required to have a written program/policy for qualified disaster relief payments; however it is recommended to have a written program/policy in the event of an audit. It is also recommended to code these payments in a general ledger account that is separate from normal relocation or reimbursable payments.

US CONSIDERATIONS

Cross-Border Travel Disruptions



Tax Residency

Non-resident Aliens Living in the U.S.

- ▶ In Rev. Proc. 2020-20, the IRS provides relief to affected non-resident aliens living in the U.S.
 - The IRS will presume, under certain circumstances, that up to 60 consecutive calendar days of their U.S. presence arises from COVID-19 travel disruptions and will not count this time period for purposes of determining U.S. tax residency under the Substantial Presence Test (SPT) or whether the individual qualifies for certain income tax treaty benefits with respect to income from dependent personal services performed in the U.S.
 - The IRS will consider the COVID-19 emergency a medical condition that prevented the individual from leaving the U.S.
- ▶ To obtain this relief, eligible non-resident aliens who are required to file a 2020 Form 1040-NR must attach to their return Form 8843, Statement for Exempt Individuals and Individuals With a Medical Condition, claiming the COVID-19 medical condition travel exception.
- ▶ To claim an exemption from withholding on income from dependent personal services pursuant to a U.S. income tax treaty, an individual should certify that the income is exempt by providing their employer or withholding agent Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Non-resident Alien Individual.



Living and Working Abroad

U.S. Citizens and Green Card Holders

- ▶ In Rev. Proc. 2020-27, the IRS provides relief to eligible U.S. citizens and Green Card holders living and working abroad.
 - Days spent away from the foreign country, due to the COVID-19 emergency, where the eligible individual was living and working will not prevent the individual from qualifying for the foreign earned income exclusions under IRC Section 911.
 - Relief is for individuals who reasonably expected to become qualified individuals for purposes of IRC Section 911, but who departed the foreign jurisdiction during the period described in the Rev. Proc.
- ▶ For purposes of IRC Section 911(d)(4), the COVID-19 emergency is an adverse condition that precluded the normal conduct of business in the People's Republic of China as of December 1, 2019 and globally as of February 1, 2020. The period of coverage ends on July 15, 2020, unless an extension is announced by the Treasury Department and IRS. As of this date no extension has been announced.



GLOBAL CONSIDERATIONS

Country Overview and Residency



Australia

- ▶ Those working in Australia with a temporary visa may be eligible for a Subclass 408 Australian Government endorsed events Visa, which permits visa holders to remain in Australia for up to 12 months. Temporary visa holders will need to provide evidence that they are not able to depart Australia and that their current temporary visa will soon expire.
- ▶ Affected individuals will be able to withdraw up to AUD 20,000 from their superannuation funds.
- ▶ Low income individuals will receive two separate payments of AUD 750.
- ▶ Job seekers will receive an AUD 550 boost to their fortnightly welfare payments for six months.



Canada

- ▶ The tax filing deadline for individuals was changed to June 1, 2020. The normal due date would have been April 30, 2020.
- ▶ For individuals, the payment of any tax balance owing for 2019 that would have been due on April 30, 2020 was extended until September 1, 2020.
- ▶ Certain unemployed workers will be provided with a taxable benefit of \$500 per week for a period up to 16 weeks. Income tax will not be deducted at source.



China

- ▶ Individual income tax (IIT) exemption is granted for personnel participating in the prevention and control of the epidemic.
 - Temporary work allowances and bonus in accordance with the standards stipulated by the government are exempted from IIT.

- ▶ Employees are exempted from IIT in relation to receipt of epidemic-control medical items (excluding cash).

- ▶ 100% or 50% of employer's social security contributions are exempted for no more than 6 months starting from February 2020. The exemption amount depends on the enterprise's scale and location.



Germany

- ▶ Taxpayers who can prove that they are directly and not insubstantially affected may submit applications for adjustment/deferment of taxes until December 31, 2020.
 - Applies to taxes already due or advance payments.
 - Interest on deferral can be waived.

- ▶ For cross-border commuters who are now working in their home office, the relevant double taxation treaty between Germany and the other country should be reviewed, as there may be a change in the right of taxation.
 - A temporary arrangement was sought, whereby working days for which wages are received and on which cross-border workers carry out their activities in the home office can be regarded as working day spent in the country in which the workers would have carried out their activities without the measures to combat the pandemic.



Hong Kong

- ▶ Tax payment deadlines for salaries tax, personal assessment and profits tax demand notes for the year of assessment 2018/19, which fall between April and June 2020, were automatically extended by three months from the date specified on the demand note.
- ▶ Profits tax returns and tax returns for individuals for the year of assessment 2019/20 were issued on May 4, 2020 and June 1, 2020, respectively.
- ▶ The filing deadline of tax returns for individuals was extended to August 3, 2020.



United Kingdom

- ▶ Monthly PAYE/NIC remittances should continue, unless specific holidays are announced by the government.

- ▶ For tax residency purposes, it is possible to disregard days of presence in the UK if the employee is asked by his or her employer to return to the UK temporarily as a result of COVID-19.
 - ▶ In a UK tax year, there is a limit of 60 days that can be disregarded due to exceptional circumstances.
 - ▶ The work days spent in the UK will still be counted for the purpose of the 30 workday limit that applies for the working overseas test.

- ▶ Individuals who are non-residents in the UK and working in healthcare, engineering, or research and development, will be able to work in the UK on the COVID-19 effort without seeing a change in their tax status.

Residency Status

Tax Treaties

- ▶ If an individual is currently working in a location that they did not intend, he/she should look to the applicable tax treaty for guidance on residency and taxation.
- ▶ The United States currently has tax treaties in force with 67 countries.





GLOBAL CONSIDERATIONS

OECD Guidance



OECD Guidance

Issued April 3, 2020

Area of Concern	Specific Issue	Guidance Offered
Permanent Establishments (PE)	Home Offices	The exceptional and temporary change of the location where employees exercise their employment because of the COVID-19 crisis, such as working from home, should not create new PEs for the employer. In addition, a home office needs to be “at the disposal” of the employer before it could constitute a PE, which would not be the case in the majority of those situations.
	Agency PE	Temporary conclusion of contracts in the home of employees or agents because of the COVID-19 crisis should not create PE for the businesses.



OECD Guidance (cont'd)

Issued April 3, 2020

Area of Concern	Specific Issue	Guidance Offered
Residency of a company	Place of effective management	An extraordinary and temporary change in location of the chief executive officers and other senior executives due to the COVID-19 crisis should not trigger a change in residency.
Residency status of individuals	Tie breaker rule	Unlikely that a person would acquire residence in the country where the person is temporarily because of extraordinary circumstances. However, if he or she does, if a tax treaty is applicable, the person would not be a resident of that country for purposes of the tax treaty.
Income paid by employers to cross-border workers during crisis	Article 15	Where a government has stepped in to subsidize the retention of an employee on a company's payroll during the COVID-19 crisis, the income should be attributable to the place where the employment was previously exercised. Other employment income would normally be taxed where employment is performed. OECD is working with countries to mitigate the compliance and administrative costs for employees and employers.

HRCI Taxation and Payroll Implications of
COVID-19

Activity/Program ID: 533795

Start Date: 9/23/2020

End Date: 9/23/2020

Credit Hours Awarded: 1.50

Credit Type: Business


SHRM Taxation and Payroll Implications of
COVID-19

Activity/Program ID: 20-YR3K5

Start Date: 9/23/2020

End Date: 9/23/2020

Credit Hours Awarded: 1.50



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