

1           Facilitating Business Rapid Response to State Declared Disaster Act

2       *Summary*

3       An Act to amend the public services law, state law and tax law, in relation to thresholds for  
4       establishing presence, residency or doing business in the state for out-of-state employees and  
5       companies including affiliates of in-state companies that temporarily provide resources and  
6       personnel in the state during a state of emergency declared by either the Governor or the  
7       President of the United States.

8       *Model Legislation*

9  
10      {Title, enacting clause, etc.}

11  
12      Section 1. {Short Title.}

13      This Act may be cited as the “Facilitating Business Rapid Response to State Declared Disasters  
14      Act of 2012”.

15      Section 2. {Findings.}

16      The Legislature finds that –

17      A.     During times of storm, flood, fire, earthquake, hurricane or other disaster or emergency,  
18      many companies bring in resources and personnel from other states throughout the U.S. on a  
19      temporary basis to expedite the often enormous and overwhelming task of cleaning up, restoring  
20      and repairing damaged buildings, equipment and property or even deploying or building new  
21      replacement facilities in the state.

22      B.     This may involve the need for out-of-state companies, including out-of-state affiliates of  
23      companies based in the state to bring in resources, property and/or personnel that previously  
24      have had no connection to the state, to perform activity in the state including but not limited to  
25      repairing, renovating, installing, building, rendering services or other business activities and for  
26      which personnel may be located in the state for extended periods of time to perform such  
27      activities.

28      C.     During such time of operating in the state on a temporary basis solely for purposes of  
29      helping the state recover from the disaster or emergency, these companies and individual  
30      employees should not be burdened by any requirements for business and employee taxes as a  
31      result of such activities in the state for a temporary period.

32 D. The state’s nexus and residency thresholds are intended for businesses and individuals in  
33 the state as part of the conduct of regular business operations or who intend to reside in the state  
34 and should not be directed at companies and individuals coming into the state on a temporary  
35 basis to provide help and assistance in response to a declared state disaster or emergency.

36 E. To ensure that companies may focus on quick response to the needs of the state and its  
37 citizens during a declared state disaster or emergency it is appropriate for the legislature to deem  
38 that such activity for a reasonable period of time during and after the disaster or emergency for  
39 repairing and restoration of the often devastating damage to property and infrastructure in the  
40 state shall not establish presence, residency, nor doing business in the state nor any other criteria  
41 for purposes of state and local taxes, licensing and regulatory requirements.

### 42 Section 3. {Definitions.}

43 For purposes of this Act, the following terms shall have the following meanings:

44 “Registered Business in the State” (or “Registered Business”) means a business entity that is  
45 currently registered to do business in the state prior to the declared state disaster or emergency.

46 “Out-of-State Business” means for purposes of this legislation a business entity that has no  
47 presence in the state and conducts no business in the state whose services are requested by a  
48 Registered Business or by a state or local government for purposes of performing Disaster or  
49 Emergency Related Work in the state. This shall also include a business entity that is affiliated  
50 with the Registered Business in the State solely through common ownership. The “Out-of-State  
51 Business” has no registrations or tax filings or nexus in the state prior to the declared state  
52 disaster or emergency.

53 “Out-of-State Employee” means for purposes of this legislation an employee of an Out-of-State  
54 business who does not work in the state. “Disaster or Emergency Related Work” means  
55 repairing, renovating, installing, building, rendering services or other business activities that  
56 relate to infrastructure that has been damaged impaired or destroyed by the Declared State  
57 Disaster or Emergency.

58 “Infrastructure” means for purposes of this legislation property and equipment owned or used by  
59 communications networks, gas and electric distribution systems, water pipelines, and public  
60 roads and bridges and related support facilities that services multiple customers or citizens  
61 including but not limited to real and personal property such as buildings, offices, lines, poles,  
62 pipes, structures and equipment.

63 “Declared State Disaster or Emergency” means a disaster or emergency event for which a  
64 Governor's State of Emergency Proclamation has been issued or for which a Presidential  
65 Declaration of a Federal Major Disaster or Emergency has been issued.

66 “Disaster Period” means a period that begins within ten days of the first day of the Governor’s  
67 Proclamation or the President’s Declaration (whichever occurs first) and that extends for a period  
68 of sixty calendar days after the end of the declared disaster or emergency period.

69 Section 4. {Obligations After Disaster Period.}

70 A. Business and employee status during disaster period.

71 1. An Out-of-State Business that conducts operations within the state for purposes of performing  
72 work or services related to a Declared State Disaster or Emergency during the Disaster Period  
73 shall not be considered to have established a level of presence that would require that business to  
74 register, file and remit state or local taxes or that would require that business or its out of state  
75 employees to be subject to any state licensing or registration requirements. This includes any and  
76 all state or local business licensing or registration requirements or state and local taxes or fees  
77 such as unemployment insurance, state or local occupational licensing fees and sales and use tax  
78 on equipment used or consumed during the disaster period, public service commission or  
79 secretary of state licensing and regulatory requirements. For purposes of any state or local tax on  
80 or measured by, in whole or in part, net or gross income or receipts, all activity of the Out-of-  
81 State Business that is conducted in this state pursuant to this Act shall be disregarded with  
82 respect to any filing requirements for such tax including the filing required for a unitary or  
83 combined group for which the Out-of-State Business may be a part.

84 2. Any Out-of-State Employee as defined herein shall not be considered to have established  
85 residency or a presence in the state that would require that person or that person’s employer to  
86 file and pay income taxes or to be subjected to income tax withholdings or to file and pay any  
87 other state or local tax or fee during the Disaster Period. This includes any related state or local  
88 employer withholding and remittance obligations.

89 B. Transaction taxes and fees.

90 Out-of-State Businesses and Out-of-State Employees shall be required to pay transaction taxes  
91 and fees including but not limited to fuel taxes or sales/use taxes on materials or services subject  
92 to sales/use tax, hotel taxes, car rental taxes or fees that the Out-of-State Affiliated Business or  
93 Out-of-State employee purchases for use or consumption in the state during the Disaster Period,  
94 unless such taxes are otherwise exempted during a Disaster Period.

95 C. Business or employee activity after disaster period.

96 Any Out-of-State Business or Out-of-State employee that remains in the state after the Disaster  
97 Period will become subject to the state’s normal standards for establishing presence, residency or  
98 doing business in the state and will therefore become responsible for any business or employee  
99 tax requirements that ensue.

100 Section 5. {Administration.}

101 A. Notification of out-of-state business during disaster period.

102 1. The Out-of-State Business that enters the state shall, upon request, provide to the {Designated  
103 Agency} a statement that it is in the state for purposes of responding to the disaster or  
104 emergency, which statement shall include the business' name, state of domicile, principal  
105 business address, federal tax identification number, date of entry, and contact information.

106 2. A Registered Business in the State shall, upon request, provide the information required in  
107 paragraph 1 of this section for any affiliate that enters the state that is an Out-of-State Business.  
108 The notification shall also include contact information for the Registered Business in the State.

109 B. Notification of intent to remain in state.

110 An Out-of-State Business or an employee that remains in the state after the Disaster Period shall  
111 complete state and local registration, licensing and filing requirements that ensue as a result of  
112 establishing the requisite business presence or residency in the state applicable under the existing  
113 rules.

114 C. Procedures. The {Designated Agency} shall promulgate necessary regulations, develop  
115 and issue forms or online processes to carry out these administrative procedures.

116 {Section 6.} Effective Date.

117 This Act shall be effective immediately.



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