

## The Economy and Workforce Mobility

### Issue

Public policies that support a strong infrastructure for workforce mobility – including physical assignments and relocation of workers, as well as the recent sharp ascent of remote work – are vital as [we prioritize a safe return to business](#) and get the U.S. economy back up and running.

### Background

COVID-19 has redefined the workforce mobility industry, expanding it from the physical assignment and relocation of talent to now include an accelerated growth of remote work. While many employers intend to resume physical work assignments and transfers for their workforces as soon as it's safe to do so, they also intend to leverage technology and remote work efficiencies advanced as a result of the pandemic. In fact, 75% of employers plan to have at least 5% of their existing remote workforce continue to work remotely after the end of the public health crisis,<sup>i</sup> and 25% say at least 20% will stay remote.<sup>ii</sup> Further, 38% of organizations have increased remote work opportunities to redesign work around employee well-being.<sup>iii</sup>

### Solutions

To facilitate assignments, relocation and remote work, and thus help the U.S. economy return to its pre-pandemic productivity, we recommend that the new Administration and Congress act on the following:

- **Extend the Paycheck Protection Program (PPP)** – If not enacted in this Congress, provide additional funding for the PPP and allow businesses to deduct expenses that are otherwise deductible if the business receives forgiveness under the PPP for those expenses. A majority of employers within workforce mobility are small businesses that continue to struggle financially and desperately need additional funding to weather the pandemic and reduce the spread of the virus.
- **Enact the Mobile Workforce State Income Tax Simplification Act** – Enact S. 604/H.R. 5674 to provide a clear and uniform framework for when state governments may tax nonresident employees who travel to states to temporarily perform work. Currently, the large variance of states with very different taxation requirements for out-of-state workers has caused a patchwork of challenging tax rules for employers and their mobile workforces.
- **Enable e-Modernization** – Enact legislation including the Securing and Enabling Commerce Using Remote and Electronic Notarization Act (S. 3533/ H.R. 6364) to foster electronic transactions. The transfer of an employee often involves the sale and/or purchase of a home, and e-commerce can make those transactions easier.
- **Restore the Moving Expense Deduction and Exclusion** – Eliminated through December 31, 2025 as part of the 2017 Tax Cut and Jobs Act, deduction and exclusion together are a vital tax relief tool that makes employee relocation more affordable, facilitates worker mobility and helps the moving industry that supports 480,000 jobs annually.

Worldwide ERC® and the workforce mobility professionals we represent look forward to working with the new Administration and Congress in the New Year. For more information, please go to the [Worldwide ERC® Public Policy website](#) or contact Worldwide ERC® Vice President of Member Engagement and Public Policy Rebecca Peters at [rpeters@worldwideerc.org](mailto:rpeters@worldwideerc.org) or 202-459-3845.

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<sup>i</sup> Justin Lavelle, "[Gartner CFO Survey Reveals 74% Intend to Shift Some Employees to Remote Work Permanently](#)," *Gartner*, April 3 2020.

<sup>ii</sup> *Ibid.*

<sup>iii</sup> Deloitte HC Trends 2020 "<https://www2.deloitte.com/us/en/insights/focus/human-capital-trends.html>" *Gartner*, May 18, 2020.