

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**SENATE JOINT RESOLUTION 958**

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Sponsors: Senators Webster; Carpenter, Cochrane, and Shaw of Guilford.

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Referred to: Rules and Operations of the Senate.

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April 15, 1999

1 A JOINT RESOLUTION AUTHORIZING THE REVENUE LAWS STUDY  
2 COMMITTEE TO STUDY INTERSTATE TAX COOPERATION TO ELIMINATE  
3 MULTIPLE FILING BY INDIVIDUALS WHO OWE INCOME TAX TO MORE  
4 THAN ONE STATE.

5       Whereas, many North Carolina citizens work in border states; and

6       Whereas, many residents of those border states also work in North Carolina;

7 and

8       Whereas, in the case of a married couple, one spouse may work in their state of  
9 residence while the other works in a border state; and

10       Whereas, in these cases, the individuals have to file state tax returns with more  
11 than one state; and

12       Whereas, even for lower-income taxpayers, filing in more than one state can be  
13 extremely complex; and

14       Whereas, taxpayers incur extra costs in employing tax preparers to calculate  
15 and file these complex, multiple returns and experience frustration in handling  
16 burdensome paperwork; and

17       Whereas, other states, notably Virginia and Maryland, have solved this  
18 problem through interstate tax agreements in which the states cooperate in exchanging  
19 and processing tax information, eliminating the need for multiple, complex tax filing by  
20 individuals; and

1           Whereas, such interstate cooperation may be beneficial for North Carolina and  
2 its residents; Now, therefore, Be it resolved by the Senate, the House of Representatives  
3 concurring:

4           Section 1. The Revenue Laws Study Committee shall study interstate tax  
5 agreements regarding income taxes of individuals who work across North Carolina's  
6 borders from their states of residence. These agreements generally provide that an  
7 individual residing in one state (residence state) and employed in another state (work  
8 state) is taxed as if the earnings in the work state were sourced in the residence state; they  
9 also provide for the work state employer to withhold residence state income taxes. In  
10 conducting this study, the Committee should:

- 11           (1) Examine agreements, including mutual compliance enforcement  
12 provisions, existing between other states adjoining one another.
- 13           (2) Consult with appropriate officials of Virginia, South Carolina,  
14 Tennessee, and Georgia.
- 15           (3) Determine whether the goals of reducing taxpayer burden, simplifying  
16 tax administration, and increasing taxpayer compliance could be  
17 achieved by the adoption of appropriate tax agreements.
- 18           (4) Draft proposed agreements and any necessary enabling legislation to  
19 recommend to the General Assembly.

20           Section 2. The Committee may call upon the Department of Revenue to  
21 cooperate with it in its study.

22           Section 3. The Committee shall make a final report of its recommendations to  
23 the 2001 General Assembly and may make an interim report to the 2000 Regular Session  
24 of the 1999 General Assembly.

25           Section 4. This resolution is effective upon ratification.