



Rhode Island Department of Revenue

Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAXPAYERS AND TAX PROFESSIONALS
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Withholding tax guidance as Massachusetts lifts state of emergency *Information for employers with employees working remotely amid pandemic*

PROVIDENCE, R.I. -- The Rhode Island Division of Taxation provides the following guidance to employers and employees in relation to the recent announcement from Massachusetts:

The Commonwealth of Massachusetts has special rules for wages or other compensation paid to employees who are working remotely (working from home or a location other than their usual work location) due to the coronavirus (COVID-19) pandemic. The Massachusetts special income sourcing rules for telecommuting employees are intended to minimize disruption for employers and employees during the Massachusetts COVID-19 state of emergency, according to the Massachusetts Department of Revenue.¹ These rules are similar to those of Rhode Island and have allowed for the status quo for withholding purposes despite remote working arrangements during the pandemic.

Those Massachusetts rules are effective for the period beginning March 10, 2020 and ending 90 days after the Massachusetts Governor lifts the Massachusetts COVID-19 state of emergency declared in the Governor's Declaration of a State of Emergency to Respond to COVID-19.

Massachusetts recently issued an Executive Order rescinding that state's declaration of a state of emergency effective at 12:01 a.m. on June 15, 2021.² Thus, the special rules referenced above will remain in effect until mid-September 2021.

The Rhode Island Division of Taxation last year adopted an emergency regulation that provides withholding-tax guidance for employers that have employees who are temporarily working remotely due to the pandemic. That emergency regulation remains in effect. Thus, there is no change for employers or employees as a result of Massachusetts ending its state of emergency.

- To view a copy of that Rhode Island regulation, 280-RICR-20-55-14 ("Withholding for Employees Working Remotely During the COVID-19 State of Emergency"), please use the following link: <https://rules.sos.ri.gov/regulations/part/280-20-55-14>. To view a plain-language of the regulation, please use the following link: http://www.tax.ri.gov/Advisory/ADV_2020_22.pdf.

The Rhode Island Division of Taxation is open to the public from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>

¹ See <https://www.mass.gov/info-details/tax-filing-season-frequently-asked-questions>.

² See the following: <https://www.mass.gov/doc/covid-19-order-69/download> and <https://www.mass.gov/news/governor-baker-files-legislation-to-extend-certain-covid-19-emergency-measures>.