

1 (3) “Disaster or emergency-related work” means repairing, renovating, installing, building,
2 rendering services or other business activities that relate to critical infrastructure that has been
3 damaged, destroyed or lost as a result of the declared state disaster or emergency during the disaster
4 period.

5 (4) “Disaster period” means a period that begins within ten (10) days of the first day of the
6 governor’s proclamation or the president’s declaration (whichever occurs first) and that extends for
7 a period of sixty (60) calendar days after the end of the declared disaster or emergency period.

8 (5) “Out-of-state business” means a business entity that, except for disaster or emergency-
9 related work, has no presence in the state and conducts no business in the state whose services are
10 requested by a registered business or by a state or local government for purposes of performing
11 disaster or emergency-related work in the state. This definition shall also include a business entity
12 that is affiliated with the registered business in the state solely through common ownership. The
13 “out-of-state business” has no registrations or tax filings or nexus in the state prior to the declared
14 state disaster or emergency, other than disaster or emergency-related work during the tax year
15 immediately preceding the declared state disaster or emergency.

16 (6) “Out-of-state employee” means an employee who does not work in the state, except for
17 disaster or emergency-related work during the disaster response period.

18 (7) “Registered business in the state” or “registered business” means a business entity that
19 is currently registered to do business in the state prior to the declared state disaster or emergency.

20 **5-93-3. Obligations, rights and duties.**

21 (a) An out-of-state business that conducts operations within the state for purposes of
22 performing work or services on critical infrastructure damaged, destroyed, or lost as a result of a
23 declared state disaster or emergency during the disaster period shall not be considered to have
24 established a level of presence that would require that business to register, file and remit state or
25 local taxes or that would require that business or its out-of-state employees to be subject to the state
26 telecommunications technician, contractor or installer licensing requirements as long as they are
27 under the supervision of the registered business. This exemption includes any state or local
28 telecommunications business licensing or registration requirements or state and local taxes or fees
29 such as unemployment insurance, state or local occupational telecommunications technician
30 licensing fees and use tax on equipment brought into the state on a temporary basis that is used
31 during the disaster period as well as public service commission or secretary of state licensing and
32 regulatory requirements. For purposes of any state or local tax on or measured by, in whole or in
33 part, net or gross income or receipts, all activity of the out-of-state business that is conducted in
34 this state, pursuant to this chapter shall be disregarded with respect to any filing requirements for

1 such tax, including the filing required for a unitary or combined group of which the out-of-state
2 business may be a part. For purposes of apportioning income, revenue, or receipts, the performance
3 by an out-of-state business of any work pursuant to this chapter, shall not be sourced to or shall not
4 otherwise impact or increase the amount of income, revenue, or receipts apportioned to this state.

5 (b) Any out-of-state employee shall not be considered to have established residency or a
6 presence in the state that would require that person or that person's employer to file and pay income
7 taxes or to be subjected to income tax withholdings or to file and pay any other state or local tax or
8 fee during the disaster period. This exemption includes any related state or local employer
9 withholding and remittance obligations.

10 (c) Out-of-state businesses and out-of-state employees shall be required to pay transaction
11 taxes and fees including, but not limited to, fuel taxes or sales and use taxes, except use tax on
12 equipment specified in subsection (a) of this section, hotel taxes, car rental taxes or fees unless such
13 taxes or fees are otherwise exempted during a disaster period.

14 (d) Any out-of- state business or out-of-state employee that remains in the state after the
15 disaster period will become subject to the state's normal standards for establishing presence,
16 residency or doing business in the state and will therefore become responsible for any business or
17 employee tax requirements that ensue.

18 **5-93-4. Administration.**

19 (a) Notification of out-of-state business during disaster period.

20 (1) The out-of-state business that enters the state shall, upon request, provide to the
21 department of business regulation a statement that it is in the state for purposes of responding to
22 the disaster or emergency, which statement shall include the business name, state of domicile,
23 principal business address, federal tax identification number, date of entry, and contact information.

24 (2) A registered business in the state shall, upon request, provide the information required
25 in subsection (a)(1) of this section for any affiliate that enters the state. The notification shall also
26 include contact information for the registered business in the state.

27 (b) Notification of intent to remain in state. An out-of-state business or an employee that
28 remains in the state after the disaster period shall complete state and local registration, licensing
29 and filing requirements that ensue as a result of establishing the requisite business presence or
30 residency in the state applicable under the existing rules.

31 (c) Procedures. The department of business regulation may promulgate reasonable and
32 necessary rules and regulations as well as develop and issue forms or online processes to implement
33 these administrative procedures.

34 SECTION 2. This act shall take effect upon passage.

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LC003933/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- FACILITATING BUSINESS RAPID
RESPONSE TO STATE DECLARED DISASTER ACT OF 2024

1 This act would exempt out-of-state businesses and their employees performing services,
2 during declared state or federal disasters or emergencies, from state or local business requirements,
3 as well as state or local taxes or fees.

4 This act would take effect upon passage.

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