





## EY Payroll NewsFlash

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# Vermont guidance allows for exemption from state income tax for nonresidents in the state for a short duration

## Summary

- The Vermont Department of Taxes has issued guidance on its website stating that employers are not required to begin withholding for nonresidents until they have worked in the state for 30 or more days in the tax year.
- The 30-day exception is not yet codified into law but remains in force according to Department representatives.

The Vermont Department of Taxes has issued on its [website](#) income tax withholding guidance for remote employees. Of significant note, the Department states that employers are not required to begin withholding Vermont income tax from a nonresident employee's wages until that employee has worked in Vermont for 30 or more days in the tax year.

Normally, all income earned in Vermont is subject to income tax and income tax withholding whether the employee is working from a Vermont residence, a rental property, a co-work space or any other location within Vermont.

Under Vermont law, an exception to the requirement to withhold income tax for both residents and nonresidents applies if the employee's gross income for the tax year is \$1,000 or less. ([32 V.S.A. §5861\(a\)](#).)

The provision concerning the 30-day exception for nonresidents is not yet codified into Vermont law; however, a Department representative confirmed that the exception continues to apply. (*Vermont Department of Taxes email, July 11, 2022.*)

**Contact us for more information**

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