



# TOPIA COMPASS: US STATE-to-STATE PAYROLL WITHHOLDING

In the United States, employers are required by law to withhold employment taxes from their employees. They must withhold an estimate of how much employees will owe in state taxes at year's end based on a variety of factors. Unlike Federal Taxes, state withholdings are based on state-level taxable income, and tax rates tend to vary greatly across states.

State	Expected FY2021 Revenue Decline	Decline as a percent of pre-COVID-19 revenue projections
California	\$26 billion-\$32.2 billion	17%-21%
New York	\$13.3 billion	15%
New Jersey	\$7.3 billion	18%
Washington	\$3.4 billion	13%

Source: Center on Budget and Policy Priorities, August 2020 [excerpt]

With the pandemic, states have implemented a variety of [tax relief measures](#) in terms of employment nexus, employer withholding obligations, or have deferred taxation to protect companies and their struggling state economies. Because of the record levels of state revenues shortfall, companies are very likely to see unprecedented levels of scrutiny, disclosure requests, and increased audits. The implementation of state-to-state data sharing, advanced analytical, and automated audit capabilities are also very likely to materialize in early 2021.

## The Newly Distributed Workforce Normal

Concurrently, employees working from home in HQ-adjacent counties or out of state has become the norm. This presents a daunting challenge for companies in terms of implementing up-to-date payroll withholdings. This can also rapidly overwhelm a variety of organizations (HR, Finance, Tax, Risk) that do not have the mandate, dedicated staff, nor the expertise to tackle these increasingly complex and labor-intensive tasks. Companies may also not be willing or able to resort to costly outsourcing services or bear the potential cost of audits and non-compliance penalties.

### Key Benefits



Adapt to the new distributed workforce normal



Streamline multi-jurisdiction payroll and withholdings



Accelerate the process with an integrated ecosystem

**81% of tech workers living within 30 miles of the country's biggest tech hubs [...] are considering or have already made plans to move to a more affordable city since the onset of COVID-19.**

.Tech Domains Survey, September 2020

**“80% [of companies] anticipate adopting remote work as the new norm. The majority of companies are already set up or are in the process of enabling domestic and international remote working arrangements.”**

Source: PwC Global Survey, September 2020



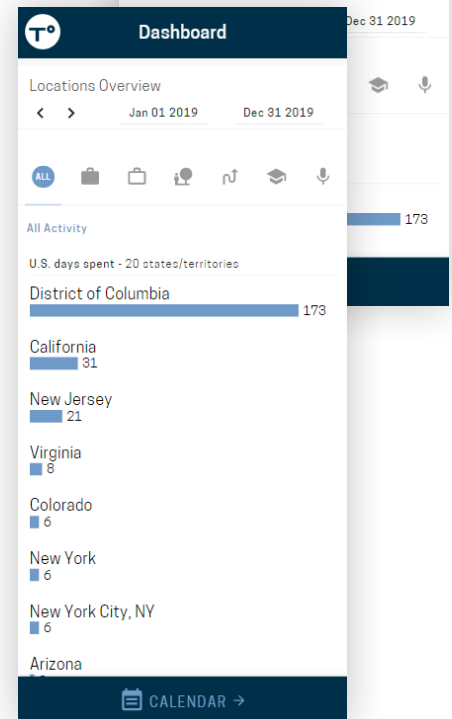
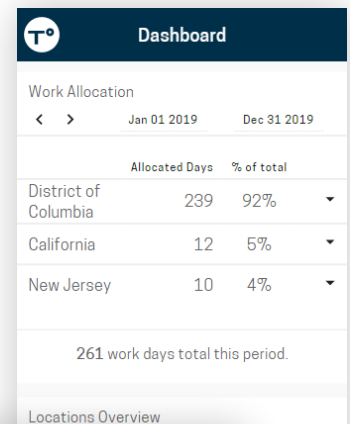
## How Topia Can Help

Topia Compass is the leading technology solution for tax and payroll compliance due to business travel and remote work. It helps automatically identify where your employees are working. It also automates the risk assessment and identifies areas that need immediate attention based on embedded tax and policy logic.

Topia Compass enables coordination across key organizational functions (HR, Payroll, Finance, Tax, and Risk departments) and automates the various workflows and approvals processes for accurate and up-to-date multi-jurisdiction state tax withholdings.

Topia Compass delivers:

- An interactive employee and program manager interface to allow intuitive access and provide deep insights and analytics
- Proactive alerts for employees and program managers to help assess and act on risks or events
- Automated workflow and communications (location summary notifications, reciprocity forms, etc.)
- Seamless and automated data flow into the payroll process
- State-to-state withholding reports with configurable frequency
- Automated, error-free programmatic calculations, versus manual and labor-intensive manual approaches
- Advanced visualization and customizable reporting available in near real-time
- Extensive HR platform integrations for accurate computations (marital status, residence, etc.)
- Intelligent, continuous automatic adjustments (weekends, company-specific holidays, PTO, workdays in non-tax jurisdictions)
- Full integration and continuity with Topia Compass' permanent establishment and international withholdings modules



## Connect with us

We are ready to conduct a 30-minute analysis of your specific situation, demonstrate how we can address your comprehensive payroll, state taxation, and compliance requirements, and have you operational within weeks.

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Europe: +44 (0) 208 103 3200  
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Request a demo: <https://www.topia.com/request-a-demo>  
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