



Federal Legislation Introduced to Study Tax Concerns for Gig Economy Workers

Insights

6.27.18

The gig economy is booming and politicians continue to take notice. To that point, Senator Mark Warner (D-Virginia) just introduced legislation designed to tackle tax issues that arise for gig economy workers.

Senator Warner has historically been a supporter of the gig economy and has previously introduced legislation designed to encourage portable benefits for such workers. In fact, his website lists the gig economy as one of his top priorities.

His latest legislation, announced on June 20, would result in research from the U.S. Treasury over how tax issues for gig workers have changed throughout the years, including on issues such as information reporting, withholding, and tax filing. The end result is intended to help lawmakers work towards making tax compliance easier for gig workers, specifically those who earn “non-employer business income.” Because gig workers are traditionally treated like independent contractors, they don’t benefit from tax withholdings in the way that regular employees do.

Senator Warner went one step further, in fact. On the same day his legislation was introduced, he also sent a letter to the Government Accountability Office requesting a study on the tax situation of “platform workers” who earn income through online and mobile platforms.

In discussing his new legislation, Senator Warner stated that he wants to “make sure everyone in the 21st century has the same kind of economic security and social insurance that they had in the 20th century.” Without research on the tax situations gig workers are in, lawmakers struggle to draft laws crafted to address areas of potential concern. Notably, this research may be especially important in light of the findings from the June 7 release of the Bureau of Labor Statistics’ (BLS) which indicated that the number of full time gig workers may be less than originally thought. Specifically, because the BLS study didn’t take in to consideration workers who supplement their traditional income with gig work, relying on such studies alone when making policy decisions can be problematic. With more formalized studies focusing on the tax situations of gig workers, it may be possible to better draft legislation designed to address issues unique to this population of workers.

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