

City of Walker
Non-Resident Wage Allocation – 2020 Tax Year
Stay at Home Order Implications
Examples for Form W-COV

Example 1:

Employee A normally works in a factory in Walker for Employer B. Employee A is a non-resident of Walker. On March 24, 2020, Employee A was sent home due to COVID-19 and the stay at home order and continued to be paid by Employer B until June 1, 2020 when Employee A returned to work in Walker. Employee A did not work from home from March 24 to May 30.

Employee A would answer 'No' to questions 1, 3 and 4 and 'Yes' to question 2 on W-COV. No wage allocation is allowed. All of Employee A's wages from Employer B would be taxable in Walker for 2020.

Example 2:

Same as example 1, except Employee A was laid off on June 1 and began collecting unemployment. Employee A did not return to work in 2020 for Employer B.

Employee A would answer 'No' to questions 3 and 4 and 'Yes' to questions 1 and 2 on W-COV. No wage allocation is allowed. All of Employee A's wages from Employer B would be taxable in Walker for 2020. Unemployment compensation received from June 1 to December 31 is not taxable to Walker.

Example 3:

Employee C normally works in an office in Walker for Employer D. Employee C is a non-resident of Walker. On March 24, 2020, Employee C was sent home due to COVID-19 and the stay at home order. Employee C was paid by Employer D for March 24 to March 30 but did not perform work at home during that time. On April 1, Employee C was provided a laptop by Employer D and began working normal shifts from home on that date. Employee C returned to the office in Walker on October 1.

Employee C would answer 'No' to questions 1 and 3 and 'Yes' to questions 2 and 4. Dates for question 2 would be March 24 to March 30. Dates for question 4 would be April 1 to September 30. Wage allocation would be allowed for April 1 to September 30 only.

Calculation of days worked everywhere:

January 1 to March 23 is 59 days minus 1 holiday and 5 days of vacation = 53

March 24 to March 30 are not days worked

April 1 to September 30 is 131 days minus 3 holidays and 5 days of vacation = 123

October 1 to December 31 is 66 days minus 5 holidays = 61

Days worked everywhere = 237

Calculation of days worked in Walker:

January 1 to March 23 = 53

October 1 to December 31 = 61

Days worked in Walker = 114

$114/237 = 48\%$ of Employer D wages would be taxable in Walker