

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 931

H. P. 763

House of Representatives, March 10, 1977

On motion of Mr. Bustin of Augusta, referred to the Committee on Labor.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Bustin of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Amend the Benefit Financing Provisions of the Employment
Security Law.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation is vitally necessary to prevent further financial hardship on employers and employees regulated under the Employment Security Law; and

Whereas, it has been necessary for the Unemployment Compensation Fund to be supplemented by loans from the Federal Government; and

Whereas, if this provision for additional contributions is not enacted, the State would not qualify for a deferral of federal unemployment tax credit for the year 1977 in accordance with Section 3302 (c) (3) of the Internal Revenue Code, as amended by Section 101 of P.L. 94-45; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

26 MRSA § 1221, sub-§ 2, ¶ A is enacted to read:

A. Each employer subject to this chapter, other than those liable for payments in lieu of contributions, shall pay, in addition to his contribution rate

as prescribed in subsection 4, 3/10 of 1% of the wages paid by him with respect to employment during the calendar year 1977.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The purpose of this bill is to impose a surtax, beginning with the year 1977, on employers subject to the Employment Security Law to meet the deferral requirements for repayment of loans from the Unemployment Trust Fund thereby eliminating a penalty being imposed on Maine employers by the Federal Government.