

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 2039

H. P. 1957

Office of the Clerk of the House

The Committee on Labor suggested. Approved for introduction by the Legislative Council pursuant to Joint Rule 24.

EDWIN H. PERT, Clerk

Presented by Mrs. Lewis of Auburn

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-EIGHT

An Act to Establish Rates of Contribution in Proportion to Use Under the Unemployment Compensation Laws.

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

26 MRSA §1221, sub-§4, ¶ B-1 is enacted to read:

B-1. Subject to paragraph A, each employer with a reserve ratio, as defined in paragraph B, of less than 0.0% shall be subject of an employer's surtax rate as determined from the employer's surtax rate schedule that follows:

Employer's Surtax Rate Schedule

If, on the most recent computation date, the employer's reserve ratio is negative by:

The employer's surtax rate shall be:

| | |
|----------------------------------|------|
| Less than 0.9% | 0.0% |
| 0.9% or more, but less than 1.8% | 0.3% |
| 1.8% or more, but less than 2.8% | 0.6% |
| 2.8% or more, but less than 3.7% | 0.9% |
| 3.7% or more, but less than 4.6% | 1.2% |
| 4.6% or more, but less than 5.6% | 1.5% |
| 5.6% or more, but less than 6.6% | 1.8% |
| 6.6% or more, but less than 7.5% | 2.1% |
| 7.5% or more, but less than 8.5% | 2.4% |
| 8.5% or more, but less than 9.5% | 2.7% |
| 9.5% or more | 3.0% |

STATEMENT OF FACT

The purpose of this bill is to impose a surtax on negative-balance employers. This surtax will apply to employers who are eligible for a rate computation and will vary according to the size of the negative reserve ratio. The objective of this surtax is to increase revenue by placing an additional tax on negative-balance employers.