

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 721

S. P. 252

In Senate, February 9, 1981

Referred to the Committee on Labor. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator C. Sewall of Lincoln.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT Relating to Employer Contribution to the Unemployment Compensation Fund.

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

26 MRSA § 1221, sub-§ 10, ¶ H is enacted to read:

H. Any employer or governmental entity who elects to make payments in lieu of contributions into the Unemployment Compensation Fund as provided in this section shall pay a surtax at the rate of 1/2 of 1% of taxable wages as defined in section 1043, subsection 19.

STATEMENT OF FACT

Presently nonprofit organizations and governmental entities are exempt for the .7% federal excise tax which moneys are paid to the State to pay the cost of administration of the system. Non-profit organizations and governmental entities pay only the cost of benefits paid and do not pay any of the cost associated with the administration of those benefits. This .5% surcharge would insure that those employers electing reimbursement would contribute to the administrative cost of the fund.