

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

(EMERGENCY)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 397

H.P. 338

House of Representatives, February 1, 1983

On Motion of Representative Beaulieu of Portland referred to the
Committee on Labor. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Beaulieu of Portland.

STATE OF MAINE

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

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

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

Whereas, this legislation is vitally necessary to
prevent a financial hardship on employers under the
Employment Security Law during the 1983 tax year; and

Whereas, if this provision is not enacted,
employers under the Employment Security Law will be
assessed a reduction in tax credits of 1.2% for 1983
in accordance with the United States Internal Revenue
Code, Section 3302 (c) (3); and

Whereas, in the judgment of the Legislature,
these facts create an emergency within the meaning of

1 the Constitution of Maine and require the following
2 legislation as immediately necessary for the preser-
3 vation of the public peace, health and safety; now,
4 therefore,

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

7 26 MRSA §1221, sub-§2, ¶B is enacted to read:

8 B. Each employer subject to this chapter, other
9 than those liable for payments in lieu of contri-
10 butions, shall pay, in addition to his contribu-
11 tion rate as prescribed in subsection 4, 6/10 of
12 1% of the wages paid by him with respect to
13 employment during the calendar years 1983 and
14 1984. This paragraph is repealed January 1,
15 1985.

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

19 STATEMENT OF FACT

20 The purpose of this bill is to alleviate the
21 financial hardships in 1983 placed on Maine employers
22 subject to the Employment Security Law.

23 United States Public Law 97-248, Tax Equity and
24 Fiscal Responsibility Act of 1982, has increased the
25 taxable wage base from \$6,000 to \$7,000, and
26 increased the federal unemployment tax from 3.4% to
27 3.5%, effective January 1, 1983.

28 In addition, to repay loans made by the Federal
29 Government to the State Unemployment Compensation
30 Fund, Maine employers will be assessed a reduction in
31 tax credits of 1.2% for 1983 in accordance with the
32 United States Internal Revenue Code, Section 3302 (c)
33 (3).

34 These increases will cause financial hardships to
35 Maine employers during 1983.

1 This bill alleviates these financial hardships in
2 1983 by replacing the 1.2% reduction in federal tax
3 credits with increases in contributions of 6/10 of 1%
4 of the wages paid by employers for calendar years
5 1983 and 1984. All federal loans will be repaid by
6 November 1983, thereby eliminating the 1.2% reduction
7 in federal tax credits that otherwise would be re-
8 quired for 1983. Consequently, part of the increased
9 tax liability facing employers would be shifted to
10 1984 to avoid the sudden upsurge in 1983.

11

1532123182