

# MAINE STATE LEGISLATURE

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L.D. 1141

DATE: May 18, 1995

(Filing No. S- 162 )

**LABOR**

Reported by: Senator BEGLEY of Lincoln for the Committee.

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**STATE OF MAINE  
SENATE  
117TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 418, L.D. 1141, Bill, "An Act Concerning Employee Leasing Companies"

Amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 26 MRSA §1221-A, sub-§5, as amended by PL 1993, c. 264, §2, is repealed.'

Further amend the bill in section 4 in subsection 9 in the 2nd and 3rd lines (page 2, lines 5 and 6 in L.D.) by striking out the following: "to only client companies and" and inserting in its place the following: 'when'

Further amend the bill by inserting at the end before the statement of fact the following:

**FISCAL NOTE**

This bill may improve the Department of Labor's ability to collect unemployment compensation taxes for the Unemployment Compensation Trust Fund from those employers who retain employee leasing companies.'

**STATEMENT OF FACT**

The original bill ensures that the employee leasing company and the client company are jointly and severally liable for

COMMITTEE AMENDMENT "A" to S.P. 418, L.D. 1141

2 unpaid unemployment taxes. The amendment repeals the section  
describing the surety bond that must be posted by the employee  
4 leasing company under current law to relieve the client company  
of liability for unpaid unemployment taxes since that option is  
no longer available. The amendment also clarifies the situations  
6 in which the rebuttable presumption of tax avoidance arises. The  
amendment also adds a fiscal note to the bill.