

# MAINE STATE LEGISLATURE

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L.D. 2230

DATE: *April 1, 1998*

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STATE OF MAINE  
SENATE  
118TH LEGISLATURE  
SECOND SPECIAL SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 1604, L.D. 2230, Bill, "An Act to Implement the Majority Report Recommendations of the Commission to Study the Unemployment Compensation System"

Amend the amendment by inserting before section 1 the following:

'Sec. 1. 26 MRSA §1043, sub-§19, ¶A, as amended by PL 1983, c. 13, §2, is further amended to read:

A. For purposes of section 1221, the term "wages" shall ~~does~~ not include ~~that part of remuneration which after remuneration equal to remuneration that exceeds the first~~ \$3,000 through December 31, 1971, \$4,200 through December 31, 1977, \$6,000 through December 31, 1982, \$7,000 to December 31, 1998, and on and after January 1, 1983, ~~that part of remuneration equal to \$7,000 has been~~ 1999, \$12,000 ~~that is~~ paid in a calendar year to an individual by an employer or ~~his~~ the employer's predecessor with respect to ~~for~~ employment during any calendar year, ~~is paid to the individual by the employer during that calendar year,~~ unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. The wages of an individual for employment with an employer shall ~~be~~ are subject to this exception whether earned in this State or any other state when the employer-employee relationship is between the same legal entities;'

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SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "B" to H.P. 1604,  
L.D. 2230

2 Further amend the amendment by striking out all of sections  
2 and 3.

4 Further amend the amendment by relettering or renumbering  
any nonconsecutive Part letter or section number to read  
6 consecutively.

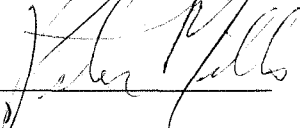
8 **FISCAL NOTE**

10 The net effect of replacing the provisions that continue the  
12 0.4% employer surtax and force Schedule P tax rates through  
14 calender year 1999 with a provision that raises the taxable wage  
16 base to \$12,000 is a net increase of \$4,500,000 in unemployment  
compensation taxes raised for the Unemployment Compensation Trust  
Fund in calender year 1999.

18 For fiscal year 1998-99, the aforementioned changes will  
slightly reduce the unemployment compensation costs for the  
Department of Agriculture, Food and Rural Resources and will  
20 slightly increase the costs for the Baxter State Park Authority.

22 **SUMMARY**

24 This amendment eliminates the sections of Committee  
26 Amendment "B" that would extend the current 0.4% employer surtax  
and force Schedule P tax rates through the end of 1999. As a  
28 result, both provisions will sunset at the end of 1998, as  
provided under existing law. The amendment also raises the  
30 taxable wage base to \$12,000.

32  
34 SPONSORED BY:   
(Senator MILLS)

36 COUNTY: Somerset  
38

**SENATE AMENDMENT**