

# MAINE STATE LEGISLATURE

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L.D. 1753

DATE: May 24, 2001

(Filing No. S-259)

**LABOR**

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**STATE OF MAINE  
SENATE  
120TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 575, L.D. 1753, Bill, "An Act Regarding the Treatment of American Indian Tribes Under the Federal Unemployment Tax Act"

Amend the bill in section 1 in that part designated "~~§1221-B.~~" by inserting after the headnote and before subsection 1 the following new paragraph:

'To the extent permitted under federal law, including the Maine Indian Claims Settlement Act, Title 25, United States Code, Chapter 19, Subchapter II, this section governs unemployment contributions and direct reimbursement options for Indian tribes.'

Further amend the bill in section 1 in that part designated "~~§1221-B.~~" by inserting after subsection 7 the following:

'8. Continuation of coverage. Unemployment benefits payable to unemployed individuals who performed services in employment for an Indian tribe as defined in this section and who meet the eligibility qualifications under this chapter may not be withheld because the Indian tribe is delinquent in the payment of unemployment contributions or reimbursement payments in lieu of contributions as defined in this chapter.'

Further amend the bill by inserting at the end before the summary the following:

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**FISCAL NOTE**

4           If this bill is not enacted, the State's unemployment  
6 compensation law will be out of conformity with the Federal  
8 Unemployment Tax Act. This would jeopardize the employers' FUTA  
10 tax credits and the State's employment security administrative  
12 grants. Employer FUTA tax credits are estimated to be in excess  
of \$200,000,000 for calendar year 2000 and administrative grants  
received by the Department of Labor for the employment security  
programs are in excess of \$17,500,000 annually.'

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**SUMMARY**

16           This amendment clarifies that the law granting the option to  
18 become a direct reimbursement employer for unemployment  
20 compensation purposes applies to Maine Indian tribes to the  
22 extent permitted by federal law. It also clarifies that benefit  
payments to unemployed individuals are not withheld if the  
employing Indian tribe fails to make unemployment contributions  
or reimbursement payments in lieu of contributions. It also adds  
a fiscal note to the bill.