

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 300

S.P. 96

In Senate, February 3, 2009

An Act To Increase Child Support Collection by Expanding the New Hire Reporting Requirements

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator SIMPSON of Androscoggin.
Cosponsored by Representative BRYANT of Windham and
Senators: ALFOND of Cumberland, BLISS of Cumberland, HOBBS of York, SULLIVAN
of York, Representatives: CAREY of Lewiston, PRIEST of Brunswick.

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

2 **Sec. 1. 19-A MRSA §2154, sub-§4-A**, as enacted by PL 2003, c. 224, §1, is
3 repealed.

4 **Sec. 2. 19-A MRSA §2154, sub-§4-B** is enacted to read:

5 **4-B. Independent contractors.** An employer who reports under subsection 1 shall
6 also report the contracting for services in this State with an independent contractor when
7 reimbursement for such services is anticipated to equal or exceed \$600.

8 A. An employer required to report under this subsection may report by mailing a
9 copy of the employer's federal Internal Revenue Service 1099-MISC form,
10 transmitting a facsimile of the 1099-MISC form, sending magnetic tape in a
11 compatible format or by other means, as mutually agreed to by the employer and the
12 department, that will result in timely reporting.

13 B. The employer shall report the information in this paragraph within 7 days of the
14 earlier of first making payments that in the aggregate equal or exceed \$600 in any
15 year to an independent contractor and entering into a contract or contracts with an
16 independent contractor providing for payments that in the aggregate equal or exceed
17 \$600 in any year:

18 (1) The independent contractor's name, address and social security number;

19 (2) The employer's name, business name, address and telephone number;

20 (3) The employer's social security number, employment security reference
21 number or unified business identifier number;

22 (4) The date the contract is executed or, if no contract, the date payments in the
23 aggregate first equal or exceed \$600; and

24 (5) The total dollar amount of the contract, if any, and the contract expiration
25 date.

26 **Sec. 3. 19-A MRSA §2154, sub-§7**, as enacted by PL 1997, c. 537, §39 and
27 affected by §62, is amended to read:

28 **7. Transmissions to the National Directory of New Hires.** Within 3 business days
29 after the date information regarding a newly hired or rehired employee or independent
30 contractor is entered into the department's computer system, the department shall transmit
31 the information to the National Directory of New Hires maintained by the federal
32 Department of Health and Human Services. After obtaining the information from the
33 Department of Labor, the department shall send the National Directory of New Hires
34 quarterly reports of wages and unemployment compensation benefits paid to persons who
35 are reported to the department under this section as specified by federal regulations.

36 **Sec. 4. 19-A MRSA §2154, sub-§10** is enacted to read:

37 **10. Independent contractor.** For purposes of this section, "independent contractor"
38 means an individual who is not an employee of the employer and who receives

1 compensation or executes a contract for services performed for that employer within or
2 without this State.

3

SUMMARY

4 The purpose of this bill is to increase child support collection by expanding the new
5 hire reporting requirements to include the reporting of independent contractors by any
6 employer who is already required to report new hires. The report is required when the
7 aggregate compensation to be paid to the independent contractor equals or exceeds \$600.
8 This is consistent with the filing of the federal Internal Revenue Service 1099-MISC form
9 under federal requirements. This bill is modeled on the New Hampshire independent
10 contractor reporting requirements.