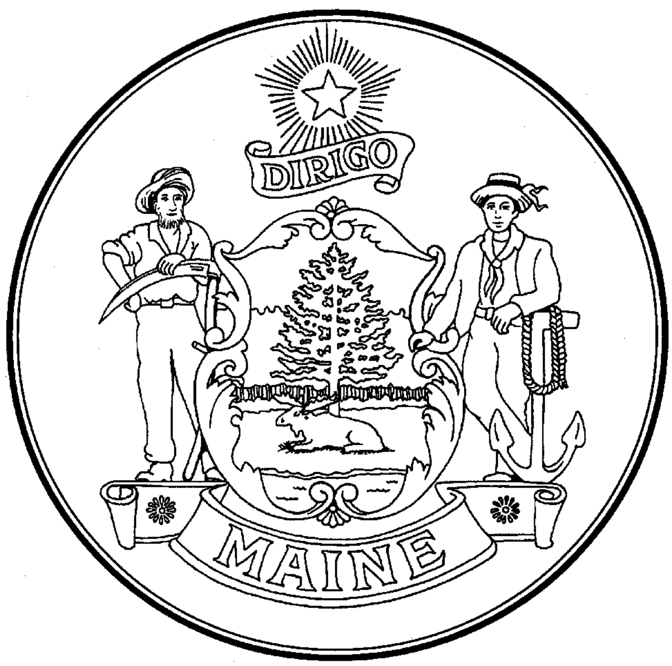

DIRIGO
MAINE

128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document **No. 1887**

H.P. 1319 House of Representatives, March 28, 2018

An Act To Create Fairness in Maine's Unemployment Insurance System by Increasing the Amount Paid in Unemployment Tax by Certain Employers

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative VACHON of Scarborough. (GOVERNOR'S BILL)

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

Sec. 1. 26 MRSA §1221, sub-§4-B is enacted to read:

4-B. Shared cost assessment. Notwithstanding any other provision of law to the contrary, beginning January 1, 2019, employers in contribution categories 19 and 20 in the table in subsection 4, paragraph B, subparagraph (2) shall pay a shared cost assessment tax, referred to in this paragraph as "the shared cost assessment," to supplement, and not supplant, contributions. The shared cost assessment is 15% of an employer's taxable payroll for contribution category 19 and 20% of an employer's taxable payroll for contribution category 20.

A. The shared cost assessment is due and payable at the same time and in the same manner as contributions.

B. The Director of Unemployment Compensation shall enforce collection of any shared cost assessment in the same manner as provided in this chapter for collection of contributions.

C. Revenue generated by the shared cost assessment must be deposited in the fund.

SUMMARY

This bill amends the laws governing employer contributions for unemployment compensation to impose an additional shared cost assessment tax on employers in contribution categories 19 and 20, increasing the percentage of unemployment tax paid by those employers. Beginning January 1, 2019, an employer in category 19 is assessed an additional unemployment tax of 15% of that employer's taxable payroll and an employer in category 20 is assessed an additional unemployment tax of 20% of that employer's taxable payroll. Adding this shared cost assessment provides benefit costs beyond the normal experience rating process to the Unemployment Compensation Fund.