
DIGEST

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HB 70 Original

2020 Second Extraordinary Session

Schexnayder

Abstract: Repeals the unemployment trust fund solvency tax.

Present law provides that if the administrator of the Louisiana Workforce Commission reports, in any calendar quarter, that the fund balance projected by the administrator for the next four calendar quarters is less than \$100 million dollars, there shall be added to the contributions required from employers a solvency tax which will be required from each employer.

Present law requires that the solvency tax be enforced for the calendar quarter beginning 6 months after the end of the calendar quarter in which the trust fund balance is projected to be less than \$100 million dollars.

Present law provides that the administrator shall determine the ratio each employer will be taxed and that ratio will be expressed as a fraction.

Present law provides that the solvency tax for any quarter shall not exceed a total of 30% of the employer's contributions for that quarter.

Present law requires that prior to adding the solvency tax to the contributions, the administrator notify the House and Senate committees on labor and industrial relations, the House Committee on Ways and Means, and the Senate Committee on Revenue and Fiscal Affairs of the status of the fund and of the intention to add the solvency tax.

Present law provides that the administrator's report must also contain recommendations of alternative actions which may be taken either administratively or legislatively to protect the solvency of the fund.

Present law also provides that before enforcing the solvency tax, the administrator must also conduct a public hearing for informational purposes only after giving a public notice. Present law further provides that notice of such a hearing must be published once in the official journal of the state at least 15 days prior to such hearing date.

Proposed law repeals present law.

(Repeals R.S. 23:1536(E)(1))