

February 4, 1955.
Passed on File.

House File 240

By SOCIAL SECURITY COMMITTEE.

Passed House, Date.....*2-1-55*.....
Vote: Ayes.....*95*..... Nays.....*3*.....
Passed Senate, Date.....
Vote: Ayes..... Nays.....
Approved

A BILL FOR

An Act to amend chapter ninety-six (96), Code 1954, relating to employment security, termination of coverage, and scope of the term "employing unit".

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Amend section ninety-six point eight (96.8),
- 2 Code 1954, by striking from line nine (9) in subsection two (2)
- 3 the word "fifteen" and inserting in lieu thereof the word "twenty".
- 4 Subsection two (2) is further amended by striking from line
- 5 twelve (12) the word "eight" and inserting in lieu thereof the
- 6 word "four".
- 1 Sec. 2. Amend section ninety-six point nineteen (96.19),
- 2 Code 1954, by striking from line six (6) of paragraph a of
- 3 subsection six (6) the word "eight" and inserting in lieu thereof
- 4 the word "four".
- 5 Subsection six (6), paragraph a, is further amended by
- 6 striking from line two (2) the word "fifteen" and inserting in
- 7 lieu thereof the word "twenty".
- 1 Sec. 3. This Act shall be effective January 1, 1956.

EXPLANATION OF H. F. 240

The Eighty-third Congress of the United States amended the Federal Unemployment Tax Act to provide that after December 31, 1955, the employers of four or more individ-

uals would be covered under the provisions of the Federal Unemployment Tax Act. Under the federal law and the Iowa law, at this time, the coverage is eight or more individuals.

Unless the State of Iowa acts during the Fifty-sixth General Assembly to reduce the coverage under the Iowa law to read "four or more", the 3 per cent tax levied upon employers or from four to seven individuals will go into the Federal Treasury and Iowa will get no part of this tax. Should the legislature amend the Iowa law to cover four or more individuals, then Iowa will collect 90 per cent of the tax to be used for the payment of benefits to the employees of those employers who now employ from four to seven individuals. The commission has prepared a bill to make this change in the Iowa law and we submit the same to the legislature for consideration.

- 1 Amend House File 240 by striking all after the
- 2 enacting clause and inserting in lieu thereof the
- 3 following:
- 4 Section 1. Section ninety-six point eight (96.8),
- 5 Code 1954, subsection two (2), is amended by striking
- 6 from line twelve (12) the word "eight" and inserting in
- 7 lieu thereof the word "four".
- 8 Sec. 2. Section ninety-six point nineteen (96.19),
- 9 Code 1954, is amended by striking from line six (6) of
- 10 paragraph "a" of subsection six (6) the word "eight" and
- 11 inserting in lieu thereof the word "four".
- 12 Sec. 3. This Act shall be effective on and after
- 13 January 1, 1956.

Filed
February 9, 1955.

By SOCIAL SECURITY COMMITTEE
W. C. HENDRIX, *Chairman*