

March 9, 1961.
Passed on File.

Senate File 436

By COMMITTEE ON SOCIAL SECURITY.

Passed Senate, Date 3-27-61

Passed House, Date 5-1-61

Vote: Ayes 48 Nays 0

Vote: Ayes 88 Nays 1

Approved 5-3-61

A BILL FOR

An Act to amend sections ninety-six point seven (96.7), and ninety-six point fourteen (96.14), Code 1958, relating to the rate of contributions by employers and providing penalties for failure to timely pay contributions and to make certain reports.

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

1 Section 1. Section ninety-six point seven (96.7), subsection
2 three (3), paragraph "d", Code 1958, is amended by striking
3 from said paragraph "d", subparagraphs one (1), two (2), three
4 (3), four (4) and five (5), and inserting in lieu thereof the
5 following:

6 "Contribution	7 Rate	8 If Percentage of Average
		9 Annual Payroll is
	10 2.7%	11 less than 2.5%
	12 2.5%	13 2.5% but less than 3.0%
	14 2.2%	15 3.0% but less than 3.5%
	16 1.9%	17 3.5% but less than 4.0%
	18 1.6%	19 4.0% but less than 4.5%
	20 1.3%	21 4.5% but less than 5.0%
	22 1.0%	23 5.0% but less than 5.5%
	24 .9%	25 5.5% but less than 6.0%
	26 .8%	27 6.0% but less than 6.5%
	28 .7%	29 6.5% but less than 7.0%
	30 .6%	31 7.0% but less than 7.5%
	32 .5%	33 7.5% but less than 8.0%

20	.4%	8.0% but less than 8.5%
21	.3%	8.5% but less than 9.0%
22	.2%	9.0% but less than 9.5%
23	.1%	9.5% but less than 10%
24	0%	10% or over

25 "Whenever the unemployment trust fund account of the
26 state equals or exceeds one hundred ten million dollars
27 (\$110,000,000) the contribution rates herein stated shall be
28 reduced to and remain at fifty per cent (50%) thereof until said
29 unemployment trust fund account of the state shall have been
30 reduced to seventy million dollars (\$70,000,000) in which event
31 the said contribution rates shall revert to the rate herein
32 stated."

1 Sec. 2. Section ninety-six point fourteen (96.14), Code 1958,
2 is amended as follows:

3 1. By striking subsection one (1) therefrom and inserting
4 in lieu thereof the following:

5 "1. Interest. Any employer who shall fail to pay any con-
6 tribution and at the time required by this chapter and the rules
7 and regulations of the commission, shall pay to the commission
8 in addition to such contribution, interest thereon at the rate of
9 one per cent (1%) per month and one-thirtieth (1/30) of one per
10 cent (1%) for each day or fraction thereof computed from the
11 date upon which said contribution should have been paid."

12 2. By adding a new subsection two (2) as follows:

13 "2. Penalties. Any employer who shall fail to file a report
14 of wages paid to each of his employees for any period in the
15 manner and within the time required by this chapter and the
16 rules and regulations of the commission or any extension of such

17 time, shall pay to the commission a penalty in a sum equal to
18 two per cent (2%) of the contributions required to be paid by
19 such employer for each month or part thereof, or failure to
20 file such report, provided that the total of such penalties shall
21 not exceed ten per cent (10%) of the amount of such contribu-
22 tions. If the commission finds that any such report is insuffi-
23 cient, it shall notify the employer in writing to file a sufficient
24 report. If such employer shall fail to file a sufficient report
25 within thirty (30) days after the mailing of such notice to him,
26 he shall, in addition to any amount otherwise payable by him
27 under the provisions of this chapter, pay to the commission, a
28 penalty equal to two per cent (2%) of the contributions for such
29 period unpaid by him at the time of the mailing of each notice,
30 for each month or part thereof of such failure to file a suffi-
31 cient report, provided that the total penalties shall not exceed
32 ten per cent (10%) of the amount of such contribution.

33 "If the commission finds that any employer has wilfully
34 failed to pay any contribution or part thereof when required by
35 this chapter and the rules and regulations of the commission,
36 with intent to defraud the commission, then such employer
37 shall in addition to such contribution or part thereof, pay a
38 contribution equal to fifty per cent (50%) of the amount of such
39 contribution or part thereof, as the case may be.

40 "However, in the event an employer is not required to make
41 a contribution, the penalties for failure to report shall be an
42 amount equal to one per cent (1%) of his taxable payroll. After
43 September 30, 1961 no penalty or penalties shall be less than
44 ten dollars (\$10.00).

45 "The commission may cancel any interest or penalties if

46 it is shown to the satisfaction of the commission that the fail-
47 ure to pay a required contribution or to file a required report
48 was not the result of negligence, fraud, or intentional disregard
49 of the law or the rules and regulations of the commission.”

50 3. Further amend by renumbering all subsequent subsections.

SENATE FILE 436

Amend Senate File 436 as follows:

1. Amend section 1 by inserting in line twenty-seven (27) after the word "stated" the following: "except the rates of contribution higher than one point nine per cent (1.9%)".

2. Amend section 2, line nineteen (19) by striking the word "or" following the comma and substituting in lieu thereof the word "for".

Filed
March 16, 1961. By Buok