

FILED FEB 20 '03

SENATE FILE 182
BY KREIMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the calculation of employers' contributions to
2 the unemployment compensation fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 182
BUSINESS & LABOR

1 Section 1. Section 96.7, subsection 2, Code 2003, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. g. After the contribution rate has been
4 calculated pursuant to this subsection, an employer may reduce
5 the amount of taxable wages to be multiplied by the
6 contribution rate each quarter by the amount of net additional
7 taxable wages if all of the following requirements have been
8 met:

9 (1) The employer is not a government entity, nonprofit
10 organization, or Indian tribe.

11 (2) The employer has continuously operated in this state,
12 or is a successor employer who has operated in combination
13 with the predecessor employer in this state, for more than ten
14 periods of four consecutive calendar quarters preceding the
15 contribution date.

16 (3) All of the employer's due and owing contributions have
17 been paid.

18 For the purposes of this paragraph, "net additional taxable
19 wages" means the amount of taxable wages paid in the quarter
20 for which the contribution in the current rate year is being
21 calculated which exceeds those taxable wages paid in the
22 corresponding quarter of the previous rate year.

23 EXPLANATION

24 This bill provides for a reduction in the amount of certain
25 employer's contributions to the unemployment compensation
26 fund. If an employer is not a government entity, nonprofit
27 organization, or an Indian tribe, and the employer has
28 continuously operated in this state, including a successor
29 employer, for more than 10 years, and if the employer is not
30 currently delinquent on past contributions, then before an
31 employer multiplies the employer's contribution rate by the
32 amount of taxable wages for any quarter, the employer may
33 first reduce the taxable wages. The amount of the reduction
34 would equal the amount of taxable wages paid in the current
35 quarter which exceeds the amount of taxable wages paid in the

1 corresponding quarter in the last rate year.

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