

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 276

Short Title: Omnibus ESC Changes/AB.

(Public)

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Sponsors: Representative Redwine.

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Referred to: Ways and Means.

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March 4, 1999

A BILL TO BE ENTITLED

AN ACT MAKING VARIOUS CHANGES TO THE EMPLOYMENT SECURITY LAWS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 96-9(a) is amended by adding two new subdivisions to read:

"(10) Electronic Funds Transfer. – Employers electing to do so may pay their quarterly tax contributions by electronic funds transfer. When an electronic funds transfer cannot be completed due to insufficient funds or the nonexistence of an account of the transferor, the Commission shall assess a penalty equal to ten percent (10%) of the amount of the transfer, subject to a minimum of one dollar (\$1.00) and a maximum of one thousand dollars (\$1,000). The Commission may waive this penalty for good cause shown. As used in this section, the term 'electronic funds transfer' means a transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.

(11) Credit Card Payment. – The Commission may establish policies to allow taxes to be payable under certain conditions by credit card. A condition of payment by credit card is receipt by the Commission of the full amount of taxes, penalties, and interest due. The Commission shall

1           require an employer who pays by credit card to include an amount equal  
2           to any fee charged the Commission for the use of the card. A payment  
3           of taxes that is made by credit card and is not honored by the card issuer  
4           does not relieve the employer of the obligation to pay the taxes."

5 Section 2. G.S. 96-9(a)(7) reads as rewritten:

6           "(7) Effective with the quarter ending September 30, 1992, every employer  
7           with 250 or more employees, and every person or organization that, as  
8           agent, reports wages on a total of 250 or more employees on behalf of  
9           one or more subject employers, shall file that portion of the "Employer's  
10           Quarterly Tax and Wage Report" that contains the name, social security  
11           number, and gross wages of each individual in employment on magnetic  
12           tapes or diskettes in a format prescribed by the Commission.

13           Effective with the quarter ending September 30, 1999, every  
14           employer with 100 or more employees, and every person or  
15           organization that, as agent, reports wages on a total of 100 or more  
16           employees on behalf of one or more subject employers, shall file that  
17           portion of the "Employer's Quarterly Tax and Wage Report" that  
18           contains the name, social security number, and gross wages of each  
19           individual in employment on magnetic tapes or diskettes in a format  
20           prescribed by the Commission.

21           For failure of an employer to comply with this subdivision, there  
22           shall be added to the amount required to be shown as tax in the reports a  
23           penalty of twenty-five dollars (\$25.00). For failure of an agent to  
24           comply with this subdivision, the Commission may deny the agent the  
25           right to report wages and file reports for the employer for whom the  
26           agent filed an improper report for a period of one year following the  
27           calendar quarter in which that agent filed the improper report. The  
28           Commission may reduce or waive a penalty for good cause shown."

29 Section 3. G.S. 96-9(c)(4)b. reads as rewritten:

30           "b. Notwithstanding any other provisions of this section, if the  
31           successor employer was an employer subject to this Chapter prior  
32           to the date of acquisition of the business, ~~his~~the successor's rate  
33           of contribution for the period from ~~such~~that date to the end of the  
34           then current contribution year shall be the same as ~~his~~the  
35           successor's rate in effect on the date of ~~such~~the acquisition. If the  
36           successor was not an employer prior to the date of the acquisition  
37           of the ~~business~~hebusiness, the successor shall be assigned a  
38           standard beginning rate of contribution set forth in G.S. 96-  
39           9(b)(1) for the remainder of the year in which ~~he~~the successor  
40           acquired the business of the predecessor; however, if ~~such~~the  
41           successor makes application for the transfer of the account within  
42           60 days after notification by the Commission of ~~his~~the right to  
43           do so and the account is transferred, or meets the requirements

1 for mandatory transfer, ~~he~~ the successor shall be assigned for the  
2 remainder of ~~such~~ the year the rate applicable to the predecessor  
3 employer or employers on the date of acquisition of the business,  
4 ~~provided as long as there was only one predecessor or if more than~~  
5 ~~one and or, if more than one,~~ the predecessors had identical rates.  
6 In the event the rates of the predecessor were not identical, the  
7 rate of the successor shall be the highest rate applicable to any of  
8 the predecessor employers on the date of acquisition of the  
9 business.

10 Irrespective of any other provisions of this Chapter, when an  
11 account is transferred in its entirety by an employer to a  
12 successor, the transferring employer shall thereafter pay the  
13 standard beginning rate of contributions of two and seven tenths  
14 ~~percent (2.7%) set forth in G.S. 96-9(b)(1) and shall continue to~~  
15 ~~pay at such rate until he~~ that rate until the transferring employer  
16 ~~qualifies for a reduction, reacquires the account he transferred or~~  
17 ~~acquires the experience rating account of another employer, or is~~  
18 ~~subject to an increase in rate under the conditions prescribed in~~  
19 ~~G.S. 96-9(b)(2) and (3). However, when an account is transferred in~~  
20 ~~its entirety by an employer to a successor on or after January 1, 1987,~~  
21 ~~the transferring employer shall thereafter pay the standard beginning~~  
22 ~~rate of contributions of two and twenty five hundredths percent~~  
23 ~~(2.25%) and shall continue to pay at such rate until he qualifies for a~~  
24 ~~reduction, reacquires the account he transferred or acquires the~~  
25 ~~experience rating account of another employer, or is subject to an~~  
26 ~~increase in rate under the conditions prescribed in G.S. 96-9(b)(2) and~~  
27 ~~(3)."~~

28 Section 4. G.S. 96-12.01(b) reads as rewritten:

29 "(b) Effect of State Law Provisions Relating to Regular Benefits on Claims for, and  
30 for Payment of, Extended Benefits. – Except when the result would be inconsistent with  
31 ~~G.S. 96-12 or the other provisions of this section,~~ section and in matters of eligibility  
32 determination, as provided in the regulations of the Commission, the provisions of this  
33 Chapter which apply to claims for, or the payment of, regular benefits shall apply to  
34 claims for, and the payment of, extended benefits."

35 Section 5. G.S. 96-12.01(c) is amended by adding a new subdivision to read:

36 "(5) An individual shall not be eligible for extended compensation unless the  
37 individual had 20 weeks of full-time insured employment, or the  
38 equivalent in insured wages, as determined by a calculation of base  
39 period wages based upon total hours worked during each quarter of the  
40 base period and the hourly wage rate for each quarter of the base period.  
41 For the purposes of this paragraph, the equivalent in insured wages shall  
42 be earnings covered by the State law for compensation purposes which  
43 exceed 40 times the individual's most recent weekly benefit amount or



1 subsection shall have the force and effect nor shall the same be  
2 construed or intended as repealing any of the provisions of G.S. 96-  
3 18."

4 Section 8. G.S. 105-259(b)(9a) reads as rewritten:

5 "(9a) To furnish information to the Employment Security Commission to the  
6 extent required for its NC WORKS study of the working poor pursuant  
7 to G.S. 108A-29(r). The Employment Security Commission shall use  
8 information furnished to it under this subdivision only in a  
9 nonidentifying form for statistical and analytical purposes related to its  
10 NC WORKS study. The information that may be furnished under this  
11 subdivision is the following with respect to individual income  
12 taxpayers, as shown on the North Carolina income tax forms:

- 13 a. Name, social security number, spouse's name, spouse's social  
14 security number, and county of residence.
- 15 b. Filing status and federal personal exemptions.
- 16 c. Federal taxable income, additions to federal taxable income, and  
17 total of federal taxable income plus additional income.
- 18 d. Income while a North Carolina resident, total income from North  
19 Carolina sources while a nonresident, and total income from all  
20 sources.
- 21 e. Exemption for children, nonresidents, and part-year residents'  
22 exemption for children, credit for children.
- 23 f. Expenses for child and dependent care, portion of expenses paid  
24 while a resident of North Carolina, portion of expenses paid  
25 while a resident of North Carolina that was incurred for  
26 dependents who were under the age of seven and dependents  
27 who were physically or mentally incapable of caring for  
28 themselves, credit for child and dependent care expenses, other  
29 qualifying expenses, credit for other qualifying expenses, total  
30 credit for child and dependent care expenses."

31 Section 9. G.S. 108A-29(q) reads as rewritten:

32 "(q) Each county Employment Security Commission local or branch office shall  
33 organize a Job Service Employer Committee, based on the membership makeup of the Job  
34 Service Employer Committees in existence at the time this act becomes law. Committee. The  
35 Chairman of the Employment Security Commission shall appoint the Job Service  
36 Employer Committee members, each of whom shall serve two-year terms, from persons  
37 nominated by the local Job Service Employer Committee. The Employment Security  
38 Commission shall adopt rules and regulations concerning the meeting schedule and the  
39 conduct of meetings of each Job Service Employer Committee. Each Job Service  
40 Employer Committee in counties participating in the First Stop Employment Program  
41 shall oversee the operation of the First Stop Employment Program in that county and  
42 shall report to the local Employment Security Commission quarterly on its  
43 recommendations to improve the First Stop Employment Program. The Employment

1 Security Commission shall develop the reporting method and time frame and shall  
2 coordinate a full report to be presented to the Joint Legislative Public Assistance  
3 Commission by the end of each calendar year. ~~Counties having a Workforce Development~~  
4 ~~Board may designate the Board to perform the duties described in this section rather than~~  
5 ~~organizing a Job Service Employer Committee."~~

6 Section 10. G.S. 96-12(b)(4) is repealed.

7 Section 11. Sections 3, 7, and 10 of this act become effective July 1, 1999,  
8 with Sections 7 and 10 applying to unemployment insurance claims filed on or after that  
9 date. The remainder of this act is effective when it becomes law.