GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S **1**

SENATE BILL 13

Short Title: Unemployment Tax Cut. (Public)

Sponsors: Senators Kerr; Albertson, Perdue, Soles, Warren, Dannelly, Edwards, Speed, Hoyle, Hobbs, Martin of Guilford, Winner, Odom, Rand, Plyler, Cooper, Plexico, Gulley, Kincaid, Foxx, and McDaniel.

Referred to: Finance.

January 26, 1995

A BILL TO BE ENTITLED

AN ACT TO FURTHER REDUCE EMPLOYERS' UNEMPLOYMENT INSURANCE TAXES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 96-9(a)(5) reads as rewritten:

"(5) ~~Prior to January 1, 1978, the term 'wages' shall not include for the purposes of this section any remuneration in excess of four thousand two hundred dollars ($4,200) paid to any individual in a single calendar year by an employer with respect to employment.~~

a. For purposes of this section, the term 'wages' shall not include any remuneration paid to any employee in this State in excess of this State's tax base paid to an individual by a single employer if the employer of that individual made contributions in another state or states upon the wages paid to ~~such~~ that individual during the applicable calendar year, because of work performed in another state or states.

b. Any successor employer as defined in G.S. 96-8(5)b for the purposes of this section shall pay no contributions on that part of remuneration earned by any individual in the employ of the successor employer which, when added to the remuneration previously paid by the predecessor ~~employer~~ employer, exceeded this State's tax base in a single calendar year, ~~provided~~ if the following conditions are met: (i) the individual was an employee of the predecessor and was taken over as an employee by the successor as a part of the organization acquired ~~and, provided further, that~~ and (ii) the predecessor employer has paid contributions on the wages paid to ~~such~~ the individual while in ~~his~~ the predecessor's employ during the year of acquisition and the account of the predecessor is transferred to the successor in accordance with G.S. 96-9(c)(4)a.

~~Beginning January 1, 1978, and thereafter, the taxable wage base of any employee whose wages are subject to taxation, whether totally or partially, by the State of North Carolina under any provision of this Chapter shall be the federally required tax base.~~

c. On the computation date (August 1) in 1983 and each computation date thereafter, the Commission shall compute the average yearly insured wage by multiplying the average weekly insured wage (obtained in accordance with G.S. 96-8(22)) by 52. During ~~the~~ each calendar year following the computation ~~date,~~ date until January 1, 1995, the taxable wage base shall be the greater of the federally required tax base or the product resulting from multiplying the average yearly insured wage by sixty percent (60%), rounded to the nearest multiple of one hundred dollars ($100.00). Beginning January 1, 1995, during each calendar year following the computation date, the taxable wage base shall be the greater of the federally required tax base or the product resulting from multiplying the average yearly insured wage by fifty percent (50%), rounded to the nearest multiple of one hundred dollars ($100.00)."

Sec. 2. G.S. 96-9(b)(3) is amended by adding a new subdivision d3. to read:

"d3. The standard contribution rate set by subdivision (b)(1) of this section applies to an employer unless the employer's account has a credit balance. Beginning January 1, 1995, the contribution rate of an employer whose account has a credit balance is determined in accordance with the rate set in the following Experience Rating Formula table for the applicable rate schedule. The contribution rate of an employer whose contribution rate is determined by this Experience Rating Formula table shall be reduced by fifty percent (50%) for any year in which the balance in the Unemployment Insurance Fund equals or exceeds eight hundred million dollars ($800,000,000) on the computation date.

EXPERIENCE RATING FORMULA

When The Credit Ratio Is:										
As Much	But Less									
	As Than		Rate Schedules (%)							
		A	B	C	D	E	F	G	H	
		I0.0%	0.2%	2.70%	2.70%	2.70%	2.70%	2.50%	2.30%	
		2.10%	1.90%	1.70%						
0.2%	0.4%	2.70%	2.70%	2.70%	2.50%	2.30%	2.10%	1.90%	1.70%	1.50%
0.4%	0.6%	2.70%	2.70%	2.50%	2.30%	2.10%	1.90%	1.70%	1.50%	1.30%
0.6%	0.8%	2.70%	2.50%	2.30%	2.10%	1.90%	1.70%	1.50%	1.30%	1.10%
0.8%	1.0%	2.50%	2.30%	2.10%	1.90%	1.70%	1.50%	1.30%	1.10%	0.90%
1.0%	1.2%	2.30%	2.10%	1.90%	1.70%	1.50%	1.30%	1.10%	0.90%	0.80%
1.2%	1.4%	2.10%	1.90%	1.70%	1.50%	1.30%	1.10%	0.90%	0.80%	0.70%
1.4%	1.6%	1.90%	1.70%	1.50%	1.30%	1.10%	0.90%	0.80%	0.70%	0.60%
1.6%	1.8%	1.70%	1.50%	1.30%	1.10%	0.90%	0.80%	0.70%	0.60%	0.50%
1.8%	2.0%	1.50%	1.30%	1.10%	0.90%	0.80%	0.70%	0.60%	0.50%	0.40%
2.0%	2.2%	1.30%	1.10%	0.90%	0.80%	0.70%	0.60%	0.50%	0.40%	0.30%
2.2%	2.4%	1.10%	0.90%	0.80%	0.70%	0.60%	0.50%	0.40%	0.30%	0.20%
2.4%	2.6%	0.90%	0.80%	0.70%	0.60%	0.50%	0.40%	0.30%	0.20%	0.15%
2.6%	2.8%	0.80%	0.70%	0.60%	0.50%	0.40%	0.30%	0.20%	0.15%	0.10%
2.8%	3.0%	0.70%	0.60%	0.50%	0.40%	0.30%	0.20%	0.15%	0.10%	0.09%
3.0%	3.2%	0.60%	0.50%	0.40%	0.30%	0.20%	0.15%	0.10%	0.09%	0.08%
3.2%	3.4%	0.50%	0.40%	0.30%	0.20%	0.15%	0.10%	0.09%	0.08%	0.07%
3.4%	3.6%	0.40%	0.30%	0.20%	0.15%	0.10%	0.09%	0.08%	0.07%	0.06%
3.6%	3.8%	0.30%	0.20%	0.15%	0.10%	0.09%	0.08%	0.07%	0.06%	0.05%
3.8%	4.0%	0.20%	0.15%	0.10%	0.09%	0.08%	0.07%	0.06%	0.05%	0.04%
4.0%	4.2%	0.15%	0.10%	0.09%	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
4.2%	4.4%	0.10%	0.09%	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%	0.02%
4.4%	4.6%	0.09%	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%	0.02%	0.01%
4.6%	4.8%	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%	0.02%	0.01%	0.01%
4.8%	5.0%	0.07%	0.06%	0.05%	0.04%	0.03%	0.02%	0.01%	0.01%	0.01%
5.0%&OVER		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%"

Sec. 3. Effective January 1, 1998, G.S. 96-9(b)(3)d2. is repealed.

Sec. 4. Effective January 1, 2000, G.S. 96-9(a)(5)c., as amended by Section 1 of this act, reads as rewritten:

"c. On the computation date ~~(August 1) in 1983 and each computation date thereafter,~~ each year, the Commission shall compute the average yearly insured wage by multiplying the average weekly insured wage (obtained in accordance with G.S. 96-8(22)) by 52. During each calendar year following the computation ~~date until January 1, 1995, the taxable wage base shall be the greater of the federally required tax base or the~~

~~product resulting from multiplying the average yearly insured wage by sixty percent (60%), rounded to the nearest multiple of one hundred dollars ($100.00). Beginning January 1, 1995, during each calendar year following the computation~~ date, the taxable wage base shall be the greater of the federally required tax base or the product resulting from multiplying the average yearly insured wage by fifty percent (50%), rounded to the nearest multiple of one hundred dollars ($100.00)."

Sec. 5. Section 3 of this act becomes effective January 1, 1998. Section 4 of this act becomes effective January 1, 2000. The remainder of this act is effective upon ratification and applies to quarters beginning on or after January 1, 1995.