



House of Representatives

General Assembly

File No. 220

February Session, 2004

House Bill No. 5399

House of Representatives, March 24, 2004

The Committee on Labor and Public Employees reported through REP. RYAN, K. of the 139th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING CONTRIBUTIONS DUE THE UNEMPLOYMENT COMPENSATION FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-266c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) The administrator, upon the advice of the Attorney General, may
4 abate any contributions due under this chapter which have been found
5 by [him] the administrator to be uncollectible.

6 (b) The administrator or the administrator's duly authorized agent
7 may make or entertain an offer of compromise for any contributions
8 due under this chapter if such offer is based upon doubt as to the
9 employer's liability for the amount in controversy or doubt as to the
10 collectibility of such amount.

This act shall take effect as follows:

Section 1	<i>July 1, 2004</i>
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LAB *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Labor Dept.	Unemployment Compensation Fund - Revenue Gain	Significant	Significant

Municipal Impact: None

Explanation

At present when contributions are due to the unemployment compensation fund the Department of Labor (DOL) has no ability to collect less than one hundred percent payment; current law allows the fund to collect all or nothing. This bill will allow the commissioner to compromise and recover a percentage of the amount due. The revenue gain to the unemployment compensation fund will be significant.

OLR Bill Analysis

HB 5399

**AN ACT CONCERNING CONTRIBUTIONS DUE THE
UNEMPLOYMENT COMPENSATION FUND****SUMMARY:**

This bill authorizes the labor commissioner to make or entertain a compromise offer for overdue unemployment compensation taxes if the offer is due to doubt about (1) the employer's correct amount owed or (2) the likelihood of collecting in full. By law, the commissioner can place a lien on an employer's real or personal property to collect overdue taxes or forgive overdue taxes that he determines are uncollectible.

EFFECTIVE DATE: July 1, 2004

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Report

Yea 14 Nay 0