



General Assembly

January Session, 2019

Proposed Bill No. 5226

LCO No. 546



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Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
REP. KLARIDES, 114th Dist.

AN ACT CLARIFYING CERTAIN UNEMPLOYMENT COMPENSATION PROVISIONS AS APPLICABLE TO INDEPENDENT CONTRACTORS.

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

1 That subdivision (5) of subsection (a) of section 31-222 of the general
2 statutes be amended to exempt services performed by an individual as
3 a producer with a service contract company or insurance agency that
4 provides finance and insurance products and service to the automotive
5 market, provided the following conditions are met:

6 (1) The service is provided by an individual producer who is
7 otherwise engaged in an employment relationship with a business or
8 trade involving automotive sales;

9 (2) The producer is, and has been, free from control and direction by
10 any service contract company or insurance agency that provides
11 finance and insurance products and service to the automotive market
12 in connection with the actual performance of such services; and

13 (3) The producer is treated by the service contract company or
14 insurance agency that provides finance and insurance products and
15 service to the automotive market as an independent contractor for all

16 purposes, including, but not limited to, federal and state taxation,
17 workers' compensation, choice of hours worked and choice to accept
18 referrals from multiple entities without consequence.

Statement of Purpose:

To clarify unemployment tax law so that certain independent contractors are not improperly treated as employees.