

1 WHEREAS, the state's UI trust fund is projected to become insolvent on October 5,
2 2020, and the Louisiana Workforce Commission (commission) is required to pay valid
3 claims whether the fund is solvent or not and has paid more than one billion dollars in claims
4 since March 2020; and

5 WHEREAS, insolvency of the fund will not stop benefits to unemployed Louisiana
6 workers and the fund's diminished capacity and subsequent insolvency will, by law, trigger
7 undesirable effects, including a drop in weekly benefit payments and an increase in taxes to
8 businesses in January 2021; and

9 WHEREAS, the commission has completed the application process for a federal loan
10 to cover the fund's obligation for any benefit payable during its insolvency; and

11 WHEREAS, to pay back this loan, the state is required to impose a special
12 assessment and a solvency tax on businesses of up to thirty percent of their quarterly
13 individual unemployment tax rates; and

14 WHEREAS, Louisiana businesses are recovering from the challenges presented by
15 this unprecedented health and economic crisis and will be struggling to restart the state's
16 economy so workers can return to earning a living in the months ahead and into 2021; and

17 WHEREAS, the special assessment and solvency tax on Louisiana's businesses
18 would further burden their recovery effort and could result in the closure of formerly
19 established enterprises.

20 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends
21 the provisions of R.S. 23:1474(C) and (G)(3), 1532.1, and 1536(E)(1) and (F)(3)(a)(i).

22 BE IT FURTHER RESOLVED that this suspension shall become effective upon
23 adoption of this Resolution and shall extend through June 30, 2021.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Yoursheka George.

DIGEST

SCR 5 Original

2020 Second Extraordinary Session

Reese

Suspends the provisions of R.S. 23:1474(C) and (G)(3), 1532.1, and 1536(E)(1) and (F)(3)(a)(i) which provides relative to the setting of unemployment benefits and certain special assessments and taxes.

Effective through June 30, 2021.