

SENATE CONCURRENT RESOLUTION NO. 5

BY SENATOR REESE

A CONCURRENT RESOLUTION

To suspend until sixty days after final adjournment of the 2022 Regular Session of the Legislature of Louisiana the provisions of R.S. 23:1536(E)(1), relative to the unemployment insurance solvency tax on employers.

WHEREAS, Article III, Section 20 of the Constitution of Louisiana empowers the legislature to suspend a law; and

WHEREAS, the current public health emergency caused by COVID-19 has required an extended shutdown of many businesses resulting in a dramatic decline in their revenue and the layoff of their employees; and

WHEREAS, the widespread layoffs have led to massive unemployment of workers and increased demands for unemployment benefits; and

WHEREAS, state unemployment benefits for Louisiana workers are funded by state unemployment taxes paid by employers that are collected by the Louisiana Workforce Commission and submitted to the United States Department of Labor to be pooled into the state's unemployment compensation trust fund account; and

WHEREAS, the dramatic increase in the volume of unemployment benefit claims has resulted in a drastic reduction in the balance of the state's unemployment compensation trust fund account; and

WHEREAS, R.S. 23:1536(E)(1) requires the secretary of the Louisiana Workforce Commission to report when the state's projected unemployment compensation trust fund balance for the next four calendar quarters, together with projected state unemployment taxes to be collected less the projected amount of unemployment benefits to be paid during the next four calendar quarters, will result in a trust fund balance of less than one hundred million dollars and provides that a solvency tax shall be added to an employer's state unemployment taxes for the calendar quarter beginning six months after the end of the calendar quarter in which the projection is made; and

WHEREAS, the exact amount of the solvency tax is dependent on the amount the unemployment compensation trust fund balance is projected to be below one hundred million dollars and the amount of state unemployment taxes projected to be collected from employers; and

WHEREAS, in October of 2020, the secretary of the Louisiana Workforce Commission reported that the projected fund balance for the next four calendar quarters, together with projected state unemployment taxes to be collected less the projected amount of unemployment benefits to be paid from the state's unemployment compensation trust fund during the next four calendar quarters, will result in a fund balance of less than one hundred million dollars, triggering the solvency tax; and

WHEREAS, the impact of the imposition of the solvency tax at this time on many employers already suffering from dramatically reduced revenues could negatively affect their ability to hire back or to retain employees and stay in business.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends the provisions of R.S. 23:1536(E)(1) relative to the unemployment insurance solvency tax on employers.

BE IT FURTHER RESOLVED that this suspension shall become effective upon adoption of this Resolution and shall extend through the sixtieth day after final adjournment of the 2022 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Louisiana Workforce Commission.

---

PRESIDENT OF THE SENATE

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES