SLS 202ES-43 **ORIGINAL**

2020 Second Extraordinary Session

SENATE CONCURRENT RESOLUTION NO. 5

BY SENATOR REESE

EMPLOYMENT. Suspends certain provisions of law relative to unemployment tax increases and benefit reductions. (Items #8 and #30).

1	A CONCURRENT RESOLUTION
2	To suspend until June 30, 2021, the provisions of R.S. 23:1474(C) and (G)(3), 1532.1, and
3	1536(E)(1) and (F)(3)(a)(i) providing for certain unemployment taxes, assessments,
4	and benefits.
5	WHEREAS, the state of Louisiana is still recovering from the serious blow dealt by
6	the unprecedented pandemic known as the novel coronavirus or COVID-19; and
7	WHEREAS, as a result of the COVID-19 pandemic, approximately four hundred
8	thousand jobless Louisiana workers are receiving federal or state unemployment
9	compensation benefits compared to about thirteen thousand jobless workers around this
10	same quarter in 2019, leaving a staggering economical impact on businesses and residents
11	statewide; and
12	WHEREAS, in an effort to slow the spread of the novel coronavirus, a series of
13	executive orders were issued that resulted in a statewide shutdown of nonessential businesses
14	and operations causing an increase in the number of individuals who have filed for
15	unemployment benefits; and
16	WHEREAS, the trust fund balance was approximately \$1.05 billion at the start of the
17	COVID-19 pandemic, and had a balance of only forty-eight million dollars as of
18	September 25, 2020; and

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.