

2020 Second Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 20

BY REPRESENTATIVE SCHEXNAYDER

UNEMPLOYMENT COMP: Suspends the unemployment trust fund solvency tax (Item #30)

1 A CONCURRENT RESOLUTION

2 To suspend until sixty days after final adjournment of the 2021 Regular Session of the
3 Legislature of Louisiana R.S. 23:1536(E)(1), relative to the unemployment trust fund
4 solvency tax.

5 WHEREAS, the state of Louisiana was struck by the COVID-19 health emergency
6 in March 2020; and

7 WHEREAS, as a result of the COVID-19 health emergency, businesses had to
8 shutter their doors and lay off employees in order to comply with the statewide emergency
9 order; and

10 WHEREAS, as a result of numerous layoffs, there has been an unprecedented
11 number of unemployed individuals who have filed and continue to file for unemployment
12 insurance benefits; and

13 WHEREAS, as a result of the unprecedented filing of claims and payment of
14 unemployment insurance benefits, the state's unemployment trust fund has depleted to
15 alarming numbers; and

16 WHEREAS, as a result of this depletion, the law at R.S. 23:1536(E)(1) provides for
17 a mechanism to restore the solvency of the unemployment trust fund through the assessment
18 of a tax upon businesses; and

19 WHEREAS, R.S. 23:1536(E)(1) provides that if the administrator of the Louisiana
20 Workforce Commission finds, in any calendar year, that the unemployment trust fund, along
21 with projected contributions, is projected to be less than one hundred million dollars, the
22 administrator shall then enforce a solvency tax added to the contributions already collected
23 from employers; and

1 WHEREAS, R.S. 23:1536(E)(1) provides that the administrator of the Louisiana
2 Workforce Commission shall enforce this solvency tax for the calendar year beginning six
3 months after the unemployment trust fund balance is projected to be less than one hundred
4 million dollars; and

5 WHEREAS, R.S. 23:1536(E)(1) provides that the solvency tax for any quarter shall
6 not exceed a total of thirty percent of an employer's contributions for that quarter; and

7 WHEREAS, it is recognized that the state will need to restore the solvency of the
8 unemployment trust fund; however, at this time implementing such a solvency tax would
9 be detrimental to businesses, which have been and continuously are being economically
10 impacted by the COVID-19 health emergency; and

11 WHEREAS, the purpose of this Resolution is to suspend the implementation of a
12 solvency tax to be levied on employers; and

13 WHEREAS, Article III, Section 20 of the Constitution of Louisiana provides that
14 "only the legislature may suspend a law".

15 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends
16 the provisions of R.S. 23:1536(E)(1).

17 BE IT FURTHER RESOLVED that this suspension shall become effective upon
18 adoption of this Resolution and shall extend through the sixtieth day after final adjournment
19 of the 2021 Regular Session of the Legislature of Louisiana.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 20 Original

2020 Second Extraordinary Session

Schexnayder

Suspends R.S. 23:1536(E)(1) which provides for the implementation of an unemployment trust fund solvency tax.

Effective through the 60th day following the 2021 R.S.

(Suspends R.S. 23:1536(E)(1))