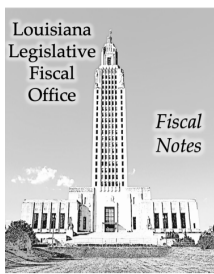


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 92** SLS 21RS 98

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2021	9:01 AM	Author: LUNEAU
Dept./Agy.: Louisiana Department of Revenue		Analyst: Monique Appeaning
Subject: Misclassification of Employees		

REVENUE DEPARTMENT OR INCREASE SG RV See Note Page 1 of 1
Provides for uniform definitions of independent contractor and employee, and for penalties for the misclassification of employees. (2/3 - CA7s2.1(A)) (1/1/22)

Proposed law defines "employee" and "misclassified employee". Proposed law provides a specific exclusion for the term "employment". Proposed law amends present law of "liability of employer" and enacts specific provisions when an employer misclassified an employee. Proposed law adds "liability of contractor" provisions that pertains to contractors who knew or had reason to know that amounts paid to its subcontractor included labor costs of misclassified employees, including specific authority granted to the secretary to impose a penalty. Proposed law adds specific penalties for failure to submit quarterly returns, annual returns, and receipts required to be furnished under RS 47:112(L) [Receipts for Employees] or the failure to remit the amount required to be withheld is due to the misclassification of an employee. Proposed law provides that a complete record of penalty remittances and waivers pursuant to proposed law shall be kept by the secretary, notwithstanding specific provisions of present law, these remittances and waivers shall be published in the department's annual report.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may create a indeterminable workload impact for the Louisiana Department of Revenue (LDR) local taxing authorities, and local governing authorities associated with appeals, reviews of appeals and other activities addressed in this measure. The net impact of these changes are indeterminable. The LDR reports workload changes may be absorbed within existing budgetary resources but the department may need additional personnel dedicated to these activities. The Legislative Fiscal Office will update this document upon receiving additional information from LDR.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in SGR to the LDR when specific penalties are imposed to employers who misclassify employees and who fail to withhold the amounts required to be withheld; also, when contractors who knew or had reason to know that amounts paid to their subcontractors included labor costs of misclassified employees.

Proposed law may result in an indeterminable increase in SGR to LDR when specific penalties are imposed to employers for failure to submit quarterly returns, annual returns, and receipts required to be furnished under RS 47:112(L) [Receipts for Employees] or the failure to remit the amount required to be withheld is due to the misclassification of an employee.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Staff Director