

## RÉSUMÉ DIGEST

SCR 5

2021 Regular Session

Reese

Suspends present law that provides that if the secretary of the La. Workforce Commission reports, in any calendar quarter, that the projected state unemployment trust fund balance for the next four calendar quarters, together with projected state unemployment taxes to be collected plus any other amounts otherwise pledged thereto, less the amount of projected unemployment benefits to be paid from the fund during the next four calendar quarters, will result in a fund balance of less than \$100,000,000, there shall be added to the employer taxes a solvency tax for the calendar quarter beginning six months after the end of the calendar quarter in which the projection was made.

Present law further provides that the solvency tax shall be determined by the secretary of the commission and that it shall be a ratio, expressed as a fraction. Provides that the numerator of the fraction shall be the amount by which the projected unemployment trust fund balance during the next four calendar quarters is less than \$100,000,000 and the denominator of the fraction shall be the amount of the projected unemployment taxes to be collected from employers for the calendar quarter beginning six months after the end of the calendar quarter in which the projection was made. Provides that the ratio shall be applied as a percentage to each employer's unemployment tax rate for the calendar quarter beginning six months after the end of the calendar quarter in which the projection was made, provided that the aggregate of the added solvency tax for any quarter shall not exceed a total of 30% of the employer's regular unemployment taxes for that quarter.

Present law also requires that prior to adding the solvency tax to an employer's regular unemployment taxes, the secretary of the commission is to notify the House and Senate committees on labor and industrial relations, the House Committee on Ways and Means, and the Senate Committee on Revenue and Fiscal Affairs of the status of the state's unemployment trust fund and of their intention to add the solvency tax. Requires their report to also contain recommendations of alternative actions which may be taken either administratively or legislatively to protect the solvency of the fund. Also requires that prior to adding the solvency tax to an employer's unemployment tax, they shall conduct within such calendar quarter in which the projection is made a public hearing for informational purposes only after public notice thereof. The notice of such hearing shall be published once in the official journal of the state at least 15 days prior to the hearing date.

Effective through the 60th day following final adjournment of the 2022 R.S.

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