

CHAPTER 197

LABOR AND INDUSTRY

SENATE BILL 96-169

BY SENATORS Rizzuto, Johnson, Linkhart, and Tebedo;
also REPRESENTATIVE Grampsas.

AN ACT

CONCERNING THE CHANGE IN ALLOCATION OF THE EMPLOYERS UNEMPLOYMENT SURCHARGE TAX FOR THE 1996 CALENDAR YEAR.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 8-76-102 (4) (a) and (4) (b), Colorado Revised Statutes, 1986 Repl. Vol., as amended, are amended to read:

8-76-102. Rate of tax - surcharge. (4) (a) Based on the amount of benefits paid and not chargeable to any active employer account prior to each July 1, beginning July 1, 1983, the division shall annually establish a tax, rounded to the nearest one-tenth of one percent. The total amount of benefits not effectively charged shall be divided by the total taxable payroll estimated to be paid by all employers in the ensuing calendar year. The resulting percentage, rounded to the nearest one-tenth of one percent, with eighty percent allocated to the unemployment compensation fund and twenty percent allocated to the employment support fund created under the provisions of section 8-77-109, shall be the surcharge tax rate, which shall then be added to the employer's standard or computed tax rate; EXCEPT THAT, FOR ONE CALENDAR YEAR BEGINNING JANUARY 1, 1996, AND ENDING DECEMBER 31, 1996, THE SURCHARGE TAX RATE ALLOCATED TO THE UNEMPLOYMENT COMPENSATION FUND SHALL BE SEVENTY PERCENT AND THE SURCHARGE TAX RATE ALLOCATED TO THE EMPLOYMENT SUPPORT FUND SHALL BE THIRTY PERCENT. This tax rate added to the employer tax rate shall also be identified separately on the employer tax rate notice as the tax surcharge for benefits not effectively charged. The combined rate shall be the employer's tax rate for the ensuing calendar year. The division shall use the four quarters most recently available for benefits not effectively charged prior to the computation date used for determinations under section 8-76-103. Since total taxable payroll is estimated and the tax rate rounded, any amount for the benefits not effectively charged and not fully recovered in one year shall be added to the following

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

calendar year's identified amount. Any amount recovered over that amount shall be subtracted from the following calendar year's identified amount. The surcharge established by this subsection (4) shall not be assessed against any employer whose benefit-charge account balance is zero, and the estimated taxable payrolls of such employers shall not be included in the calculation of the surcharge tax rate; except that, if the employer is still being rated under the provisions of section 8-76-103 (3) (a), such employer is subject to the surcharge tax rate.

(b) Effective calendar year 1990 through calendar year 1997, or until such time as employers' federal unemployment taxes are returned to the state by the federal government at levels sufficient to permit the effective administration of the provisions of articles 70 to 82 of this title, whichever first occurs, twenty percent of the surcharge tax established by paragraph (a) of this subsection (4) shall be segregated and deposited in the employment support fund created in section 8-77-109; EXCEPT THAT FOR ONE CALENDAR YEAR BEGINNING JANUARY 1, 1996, AND ENDING DECEMBER 31, 1996, THE EMPLOYMENT SUPPORT FUND SHALL BE CREDITED WITH THIRTY PERCENT OF THE SAID SURCHARGE TAX.

SECTION 2. 8-77-109 (1), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

8-77-109. Employment support fund - created. (1) There is hereby established the employment support fund which shall be credited with twenty percent of the surcharge tax established by section 8-76-102 (4) (a); EXCEPT THAT FOR ONE CALENDAR YEAR BEGINNING JANUARY 1, 1996, AND ENDING DECEMBER 31, 1996, THE EMPLOYMENT SUPPORT FUND SHALL BE CREDITED WITH THIRTY PERCENT OF THE SAID SURCHARGE TAX.

SECTION 3. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 23, 1996