

CHAPTER 156

LABOR AND INDUSTRY

HOUSE BILL 05-1208

BY REPRESENTATIVE(S) Marshall, Buescher, Carroll T., Coleman, Madden, McGihon, Plant, Vigil, Berens, Cerbo, Hall, and Jahn;
also SENATOR(S) Veiga, and Anderson.

AN ACT

CONCERNING THE ABILITY OF AN EMPLOYER SUBJECT TO THE "COLORADO EMPLOYMENT SECURITY ACT" TO CLAIM A CREDIT AGAINST UNEMPLOYMENT INSURANCE TAXES UNDER SPECIFIED CIRCUMSTANCES, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 8-76-102 (5) (a), Colorado Revised Statutes, is amended to read:

8-76-102. Rate of tax - surcharge. (5) (a) (I) A solvency tax surcharge shall be assessed when the fund balance on any June 30 is equal to or less than nine-tenths of one percent of the total wages reported by ratable employers for the calendar year, or the most recent available four consecutive quarters prior to the last computation date. ~~Such~~ THE solvency tax surcharge shall be assessed on all ratable employers beginning with the next calendar year, which shall then be added to the employer's standard or computed tax rate. This tax rate added to the employer's tax rate shall also be identified separately on the employer's tax rate notice as the solvency tax surcharge. The solvency tax surcharge shall be initially assessed and then increased in the yearly increments established by paragraph (b) of this subsection (5) until the June 30 fund balance is greater than the fund level established by this subsection (5) but in no case shall exceed the rate schedule in effect January 1, 1990.

(II) IF, ON JUNE 30, 2005, THE RATIO OF THE FUND BALANCE TO THE TOTAL WAGES REPORTED BY RATABLE EMPLOYERS EQUALS OR EXCEEDS THAT RATIO ON JUNE 30, 2004, THE INCREMENTAL INCREASE IN THE SOLVENCY TAX SURCHARGE ESTABLISHED IN PARAGRAPH (b) OF THIS SUBSECTION (5) SHALL BE APPLIED, AND AN AMOUNT EQUAL TO THE AMOUNT OF THE INCREASE IN THE SURCHARGE SHALL BE SUBTRACTED FROM THE COMPUTATION OF THE RATED EMPLOYER'S STANDARD OR COMPUTED RATE FOR THE 2006 CALENDAR YEAR.

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

(III) ~~Such~~ THE solvency tax surcharge shall not be assessed against:

- (A) The covered employers of state and local governments;
- (B) Nonprofit organizations that are reimbursable employers; or
- (C) Political subdivisions electing the special rate.

SECTION 2. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the employment support fund created in section 8-77-109 (1), Colorado Revised Statutes, to the department of labor and employment, for allocation to the division of employment and training, for the fiscal year beginning July 1, 2005, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the implementation of this act.

SECTION 3. 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 25, 2005