

SENATE BILL 60

K2

11r0093

By: **Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 18, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Administration of Claims – Changes to**
3 **Withholding Status**

4 FOR the purpose of repealing the limitation on the number of times per benefit year a
5 claimant for unemployment insurance benefits may change a previously elected
6 withholding status; and generally relating to the administration of
7 unemployment insurance benefit claims.

8 BY repealing and reenacting, with amendments,
9 Article – Labor and Employment
10 Section 8–810
11 Annotated Code of Maryland
12 (2008 Replacement Volume and 2010 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Labor and Employment**

16 8–810.

17 (a) An individual filing a new claim for unemployment insurance benefits
18 establishing a new benefit year shall be advised of the following, at the time of filing
19 such claim:

20 (1) unemployment insurance benefits are subject to federal, State, and
21 local income tax;

22 (2) requirements exist pertaining to estimated tax payments;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) the individual may elect to have the Secretary deduct federal
2 income tax from the individual's payment of unemployment insurance benefits at the
3 amount specified in the federal Internal Revenue Code;

4 (4) the individual may elect to have the Secretary deduct State income
5 tax from the individual's payment of unemployment insurance benefits at the rate of
6 seven percent; and

7 (5) the individual may change a previously elected withholding status
8 [once during each benefit year].

9 (b) Amounts deducted from unemployment insurance benefits pursuant to
10 this section shall remain in the Unemployment Insurance Fund until transferred to
11 the appropriate taxing authority as a payment of income tax.

12 (c) The Secretary shall follow the procedures specified by the United States
13 Department of Labor, the federal Internal Revenue Service, and the Maryland State
14 Comptroller pertaining to the deducting and withholding of income tax.

15 (d) Amounts deducted from unemployment insurance benefits under this
16 section shall be deducted and withheld only after amounts are deducted and withheld
17 for any overpayments of any unemployment insurance benefits, child support
18 obligations, and to satisfy any other requirements of federal law.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2011.