
By: **Delegate Cryor**

Introduced and read first time: February 7, 2003

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance Contributions - Annual Filing for Domestic**
3 **Service Employees**

4 FOR the purpose of requiring the Secretary of Labor, Licensing, and Regulation to
5 allow an individual who employs another individual to perform domestic service
6 work in a private home to annually submit to the Comptroller unemployment
7 insurance contributions and employment reports with the individual's income
8 tax return if authorized by federal law; requiring an individual that submits
9 unemployment insurance contributions and employment reports to the
10 Comptroller to submit the contributions and report by a certain date; requiring
11 the Comptroller to collect and forward to the Secretary certain contributions and
12 reports filed with an individual's income tax return; requiring the Secretary to
13 apply for certain federal waivers or exceptions under federal law; requiring the
14 Secretary and the Comptroller to jointly adopt certain regulations; providing for
15 the application of this Act; and generally relating to unemployment insurance
16 contributions and employment reports and domestic service employees.

17 BY repealing and reenacting, with amendments,
18 Article - Labor and Employment
19 Section 8-607 and 8-626
20 Annotated Code of Maryland
21 (1999 Replacement Volume and 2002 Supplement)

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

24 **Article - Labor and Employment**

25 8-607.

26 (a) Except as provided in Part III of this subtitle, an employing unit shall pay
27 to the Secretary contributions for the Unemployment Insurance Fund on taxable
28 wages for covered employment that is performed for the employing unit.

1 (b) (1) Subject to paragraph (2) of this subsection, the taxable wage base is
2 the first \$8,500 in wages that:

3 (i) an employing unit pays to each employee for covered
4 employment during a calendar year;

5 (ii) an employing unit or predecessor employer, or combination of
6 both, pays to each employee for covered employment during a calendar year, provided
7 that payrolls and benefit charges of the predecessor employing unit are transferred to
8 its successor employing unit in accordance with § 8-613(c) of this subtitle; or

9 (iii) an employing unit pays to each employee who was continuously
10 employed immediately before and after a transfer of a business for covered
11 employment in this State or another state during a calendar year provided the
12 payrolls and benefits charges of the employing unit are transferred from another
13 state to this State under § 8-610(b)(1) of this subtitle.

14 (2) If the Federal Unemployment Tax Act or any other federal tax law
15 that allows a credit for a contribution to a state unemployment insurance fund
16 increases the maximum amount of wages taxable under that law in a calendar year to
17 more than \$8,500, the taxable wage base under paragraph (1) of this subsection shall
18 be the same as under the federal law.

19 (c) (1) The Secretary shall determine the rate of contribution for each
20 employing unit as of the computation date for the next calendar year.

21 (2) The rate of contribution is effective for 1 calendar year.

22 (d) (1) [By regulation,] EXCEPT AS PROVIDED IN § 8-626 OF THIS SUBTITLE,
23 the Secretary shall set:

24 (i) the date when contributions are due; and

25 (ii) the manner in which contributions are to be paid.

26 (2) In accordance with regulations adopted by the Secretary, an
27 employing unit shall:

28 (i) submit to the Secretary periodic reports for determination of the
29 amount of contributions due; and

30 (ii) pay the contribution.

31 (3) For payment of contributions, a fractional part of a cent:

32 (i) that is less than one-half cent shall be disregarded; and

33 (ii) that is one-half cent or more shall be increased to 1 cent.

34 (e) Wages paid by a private, for-profit employing unit to an inmate of a
35 custodial or penal institution before the inmate is permanently released from the

1 custodial or penal institution, including released by parole, may not constitute
2 taxable wages.

3 (f) An employing unit may not deduct contributions, wholly or partly, from the
4 wages of an employee.

5 8-626.

6 (a) [For] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, FOR
7 each calendar quarter, each employing unit shall submit to the Secretary a
8 contribution and employment report on or before the date that the Secretary sets.

9 (b) An employing unit shall include in a contribution and employment report
10 information that the Secretary requires.

11 (c) (1) An employing unit that fails to submit a contribution and
12 employment report under this section is subject to a penalty of \$35 unless the
13 Secretary waives the penalty for cause.

14 (2) An employing unit that submits a check or other negotiable
15 instrument in payment of any penalty under this subsection which is returned for
16 insufficient funds is subject to an additional penalty of \$25.

17 (D) (1) THE SECRETARY SHALL ALLOW AN INDIVIDUAL THAT EMPLOYS
18 ANOTHER INDIVIDUAL TO PERFORM DOMESTIC SERVICE IN A PRIVATE HOME TO
19 ANNUALLY SUBMIT TO THE COMPTROLLER THE UNEMPLOYMENT INSURANCE
20 CONTRIBUTION AND EMPLOYMENT REPORT REQUIRED UNDER THIS TITLE AS A PART
21 OF THE INDIVIDUAL'S INCOME TAX RETURN IF:

22 (I) FEDERAL LAW, INCLUDING REQUIREMENTS FOR
23 CERTIFICATION OF THE STATE'S UNEMPLOYMENT LAW, AUTHORIZES THE ANNUAL
24 FILING OF STATE UNEMPLOYMENT INSURANCE CONTRIBUTIONS; AND

25 (II) THE INDIVIDUAL IS AUTHORIZED TO PAY FEDERAL
26 UNEMPLOYMENT TAXES ANNUALLY AS A PART OF THE INDIVIDUAL'S FEDERAL
27 INCOME TAX RETURN.

28 (2) AN INDIVIDUAL THAT SUBMITS THE REQUIRED UNEMPLOYMENT
29 INSURANCE CONTRIBUTION AND EMPLOYMENT REPORT TO THE COMPTROLLER AS A
30 PART OF THE INDIVIDUAL'S INCOME TAX RETURN SHALL SUBMIT THE
31 UNEMPLOYMENT INSURANCE CONTRIBUTION AND EMPLOYMENT REPORT TO THE
32 COMPTROLLER ON OR BEFORE THE DUE DATE OF THE INDIVIDUAL'S INCOME TAX
33 RETURN.

34 (3) THE COMPTROLLER SHALL COLLECT AND FORWARD
35 UNEMPLOYMENT INSURANCE CONTRIBUTIONS AND EMPLOYMENT REPORTS
36 RECEIVED AS A PART OF AN INDIVIDUAL'S INCOME TAX RETURN TO THE SECRETARY.

1 (4) THE SECRETARY SHALL APPLY FOR ANY APPLICABLE FEDERAL
2 WAIVERS OR FOR ANY EXCEPTIONS UNDER FEDERAL LAW THAT ARE NECESSARY TO
3 PERMIT IMPLEMENTATION OF THIS SECTION.

4 (5) THE SECRETARY AND THE COMPTROLLER SHALL JOINTLY ADOPT
5 REGULATIONS TO IMPLEMENT THIS SUBSECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2003 and shall be applicable to all taxable years beginning after December 31,
8 2003.