

HOUSE BILL 1174

K2

2lr1103

By: **Delegate Guzzone**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Exemption from Covered Employment –**
3 **Temporary Tax Preparers**

4 FOR the purpose of providing that work performed by certain tax preparers is not
5 covered for the purposes of unemployment insurance under certain
6 circumstances; providing that certain contributions and benefit charges
7 collected are not subject to refund; providing for the application of this Act; and
8 generally relating to coverage under the unemployment insurance law of work
9 performed by certain tax preparers.

10 BY adding to

11 Article – Labor and Employment

12 Section 8–206(i)

13 Annotated Code of Maryland

14 (2008 Replacement Volume and 2011 Supplement)

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

17 **Article – Labor and Employment**

18 8–206.

19 **(I) WORK THAT A TAX PREPARER PERFORMS FOR A PERSON WHO IS**
20 **ENGAGED IN THE TAX PREPARATION BUSINESS IS NOT COVERED EMPLOYMENT**
21 **IF THE SECRETARY IS SATISFIED THAT:**

22 **(1) THE TAX PREPARER AND THE TAX PREPARATION BUSINESS**
23 **HAVE ENTERED INTO A WRITTEN AGREEMENT THAT IS IN EFFECT; AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) THE WRITTEN AGREEMENT UNDER ITEM (1) OF THIS**
2 **SUBSECTION STATES EXPRESSLY AND PROMINENTLY THAT THE TAX PREPARER**
3 **KNOWS:**

4 **(I) THAT THE WORK MAY NOT BE PERFORMED FOR A**
5 **PERIOD EXCEEDING 5 MONTHS IN ANY CALENDAR YEAR;**

6 **(II) OF THE RESPONSIBILITY TO PAY ESTIMATED SOCIAL**
7 **SECURITY TAXES AND STATE AND FEDERAL INCOME TAXES;**

8 **(III) THAT THE SOCIAL SECURITY TAX THE TAX PREPARER**
9 **MUST PAY IS HIGHER THAN THE SOCIAL SECURITY TAX THE TAX PREPARER**
10 **WOULD HAVE TO PAY OTHERWISE; AND**

11 **(IV) THAT THE WORK IS NOT COVERED EMPLOYMENT.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That Section 8–206(i) of the
13 Labor and Employment Article, as enacted by Section 1 of this Act, shall be applied to
14 and interpreted to affect all determinations by the Secretary of Labor, Licensing, and
15 Regulation of: (1) rates of contributions for employing units for all calendar years
16 beginning on or after January 1, 2013; and (2) benefit charges for unemployment
17 insurance claims for benefits based on work performed on or after January 1, 2013.
18 Contributions paid or benefit charges collected prior to January 1, 2013, that would be
19 affected by the enactment of Section 1 of this Act are not subject to refund.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2012.