

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1495

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Locke

3. Committee: Commerce and Labor

4. Title: Unemployment compensation; voluntarily leaving employment to accompany military spouse

5. Summary: The bill provides that good cause for leaving employment exists if an employee voluntarily leaves a job to accompany the employee's spouse, who is on active duty in the military or naval services of the United States, to a new military-related assignment established pursuant to a permanent change of duty order from which the employee's place of employment is not reasonably accessible. The measure applies only if the state to which the spouse is transferred has a similar provision. Benefits paid to qualifying claimants shall be charged against the pool rather than against the claimant's employer.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact: Unemployment trust fund (benefits paid)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$900,000	nongeneral
2011	\$700,000	nongeneral
2012	\$600,000	nongeneral
2013	\$500,000	nongeneral
2014	\$500,000	nongeneral
2015	\$500,000	nongeneral

6b. Revenue Impact: Unemployment taxes

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$0	nongeneral
2011	\$0	nongeneral
2012	\$1.9 million	nongeneral
2013	\$3.0 million	nongeneral
2014	\$1.1 million	nongeneral
2015	\$0	nongeneral

Revenue Impact: General fund

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	general
2010	\$0	general

2011	\$0	general
2012	(\$5,700)	general
2013	(\$9,000)	general
2014	(\$3,300)	general
2015	\$0	general

7. Budget Amendment Necessary: No. The increase to Item 125 of Senate Bill 850 for payment of unemployment benefits may be made administratively for fiscal year 2010.

8. Fiscal Implications: The Virginia Employment Commission estimates that providing unemployment benefits to trailing spouses of military personnel will increase the unemployment tax cost per employee by an average of \$0.80 in 2012 and 2013.

Payment of unemployment taxes lowers corporations' taxable income. The impact on general fund revenues is estimated at an average reduction of \$2,250 over the next eight years as a result of the bill.

9. Specific Agency or Political Subdivisions Affected: Virginia Employment Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/30/2009 dpbkbs

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cc: Secretary of Commerce and Trade