

1996 SESSION

INTRODUCED

961282386

HOUSE BILL NO. 1259

Offered January 22, 1996

A BILL to require the Virginia Employment Commission to develop flexible alternatives to quarterly wage reports, and to seek federal approval thereof.

Patron—O'Brien

Referred to Committee on Labor and Commerce

Whereas, pursuant to § 1137 of the Social Security Act, Virginia's employers are required to make quarterly wage reports to the Virginia Employment Commission; and

Whereas, such quarterly wage-reporting requirement is imposed on all employers, regardless of their workforce size, including households whose sole employees are individuals engaged in domestic capacities; and

Whereas, the frequency with which such reports are required from such households may, in fact, discourage voluntary compliance with these wage-reporting requirements, thereby reducing the amount of employer taxes paid into the Commonwealth's unemployment compensation trust fund; and

Whereas, current federal income taxation laws permit a single annual report of domestic employee wages via Schedule H; and

Whereas, it would be beneficial to many Virginia households utilizing Schedule H if a similar annual wage report could be made to the Virginia Employment Commission for purposes of reporting the wages of domestic employees, with the likelihood that such would encourage greater voluntary participation in the unemployment compensation program; and

Whereas, § 1137 of the Social Security Act provides a mechanism by which states may (i) develop an alternative wage-reporting system if it is as effective and timely as the current system in providing employment-related income and eligibility data, and (ii) seek approval of such alternative system from the United States Secretary of Labor in consultation with the Secretary of Health and Human Services and the Secretary of Agriculture; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. *That the Virginia Employment Commission is directed to develop an alternative wage-reporting system authorizing households reporting domestic wages for federal income taxation purposes on Schedule H, to make an annual report of such wages to the Virginia Employment Commission in lieu of the quarterly reports currently required. The Virginia Employment Commission is further directed to seek approval of such alternative system forthwith, pursuant to § 1137 of the Social Security Act, and to advise the Governor and the Chairmen of the House Labor and Commerce Committee and the Senate Committee on Commerce and Labor of its progress in obtaining such approval concurrent with the approval or rejection of such application, but not later than December 1, 1996.*

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HB1259