

VIRGINIA ACTS OF ASSEMBLY -- 1997 SESSION

CHAPTER 409

An Act to amend and reenact § 60.2-535 of the Code of Virginia, relating to unemployment compensation; taxation of successor entities.

[H 2668]

Approved March 15, 1997

Be it enacted by the General Assembly of Virginia:

1. That § 60.2-535 of the Code of Virginia is amended and reenacted as follows:

§ 60.2-535. Employing unit acquiring business, etc., of another employing unit.

A. Except as provided in subsection B, whenever any employing unit in any manner succeeds to or acquires the organization, trade, separate establishment or business, or substantially all the assets thereof, of another which at the time of such acquisition was an employer subject to this title, the succeeding or acquiring unit shall be assigned the experience record of the predecessor. Such record shall be deemed the experience record of the successor solely for rate computation purposes as of July 1 of the year in which the acquisition occurred. Such successor, unless already an employer subject to this title, shall, during the remainder of the current calendar year, be subject to the rate of taxation of the predecessor. If such successor is at the time of the acquisition an employer subject to this title, such successor's rate of tax to which it is then subject shall remain the same until the next determination of rates under this chapter for all employers. When a successor acquires an employing unit by partial acquisition, the predecessor employer shall provide within thirty days of notification by the Commission, information relating to the division of taxable payroll for partial acquisitions. Such information shall be provided on a form supplied by the Commission.

B. Upon written notification to the Commission that it does not desire the experience record of its predecessor, a succeeding or acquiring unit shall not be assigned such record. This notification shall be made to the Commission within sixty days of the later of (i) such acquisition or succession or (ii) the effective date of this section on a form approved by the Commission. Upon receipt thereof, the Commission shall assign the notifying unit the rate of a new employer. If the notification is not received within such sixty-day period, however, the Commission shall assign the succeeding or acquiring unit the experience record of its predecessor. The provisions of this subsection shall not be applicable to any successor that, at the time of the acquisition, was an employer subject to this title.