

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [H 2668]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 60.2-535 of the Code of Virginia is amended and reenacted as follows:**

8 § 60.2-535. Employing unit acquiring business, etc., of another employing unit.

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

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