

## Department of Planning and Budget 2009 Fiscal Impact Statement

**1. Bill Number:** SB917

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

**2. Patron:** Reynolds

**3. Committee:** Commerce and Labor

**4. Title:** Unemployment compensation; wage offset for concurrent job.

**5. Summary:** The bill provides that the weekly unemployment benefit to which an eligible individual is entitled as a result of his separation from a position of employment shall not be reduced by wages payable to the individual from another position that the individual has held continuously at least since the week preceding the job separation. Currently, such an individual's weekly benefit amount is reduced on a dollar-for-dollar basis by any wages that he earns in that week in excess of \$50.

**6. Fiscal Impact Estimates:** Preliminary.

**6a. Expenditure Impact:** Unemployment trust fund

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$4.2 million	nongeneral
2011	\$3.5 million	nongeneral
2012	\$2.8 million	nongeneral
2013	\$2.2 million	nongeneral
2014	\$2.1 million	nongeneral
2015	\$2.2 million	nongeneral

**6b. Revenue Impact:** Unemployment taxes

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	nongeneral
2010	\$0	nongeneral
2011	\$400,000	nongeneral
2012	\$500,000	nongeneral
2013	\$4.9 million	nongeneral
2014	\$7.0 million	nongeneral
2015	\$6.1 million	nongeneral

**Revenue Impact:** General fund

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	general
2010	\$0	general
2011	(\$4,500)	general
2012	(\$1,500)	general

2013	(\$14,700)	general
2014	(\$21,000)	general
2015	(\$18,300)	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 disregarding earnings from a second job held prior to a layoff in the calculation of unemployment benefits will increase the unemployment tax cost per employee by an average of \$0.92 over the next seven years. The calculations include meeting the trigger to include a fund builder tax in fiscal years 2010 through 2013.

Payment of unemployment taxes lowers corporations' taxable income. The impact on general fund revenues is estimated at an average reduction of \$11,443 annually 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:** 1/26/2009 dpbkbs

**Document:** G:\09 FIS\VEC\SB917.doc

cc: Secretary of Commerce and Trade