

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 344 (First Edition)

**SHORT TITLE:** Domestic Employer Wage Reports - AB

**SPONSOR(S):** Representative Redwine

**FISCAL IMPACT**

Yes ( )	No (X)	No Estimate Available ( )		
<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>

**REVENUES**  
**EXPENDITURES**

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Employment Security Commission

**EFFECTIVE DATE:** This act is effective when it becomes law.

**BILL SUMMARY:** The bill clarifies that only employers of domestic service employees may file wage reports annually.

**ASSUMPTIONS AND METHODOLOGY:** This bill was requested by the Employment Security Commission (ESC) to conform North Carolina law to federal law. The US Department of Labor has ruled that GS 96-(a)(8) is out of federal compliance because the statute does not state that the act only applies to domestics. Since ESC has only 10 employers that file under this statute, this change will have no fiscal impact on agency operations. There is also no revenue impact from the bill, because there are no filing fees for wage reports. However, ESC officials fear that failure to comply with federal law can jeopardize the Unemployment Insurance program. Noncompliance could result in the loss of the federal tax credit for FUTA (Federal Unemployment Tax Act) taxes paid by employers. (An employer that pays all state unemployment taxes on time and before due date of FUTA tax return may claim a credit equal to 5.4% of federally taxable wages.)

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** May 15, 2001



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