

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1241 (2nd Edition)

SHORT TITLE: ESC Surtax Delay

SPONSOR(S): Rep. Luebke

FISCAL IMPACT (\$Mil.)					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund			* No General Fund Impact *		
Unemployment Fund			* See Assumptions and Methodology *		
PRINCIPAL DEPARTMENT AFFECTED: Employment Security Commission.					
EFFECTIVE DATE: When it becomes law.					

BILL SUMMARY: Under current law, a 20% unemployment insurance surtax is scheduled to go into effect January 1, 2004, due to the balance in the unemployment reserve fund dropping to under \$163 million. The bill delays the imposition of the surtax until the balance in the regular unemployment insurance fund reaches \$500 million. The delay will apply to the 2004 tax year. The bill is sunset for the 2005 and subsequent tax years.

ASSUMPTIONS AND METHODOLOGY: This bill affects the reserve fund in the unemployment insurance system. Thus, it has no direct impact on state or local revenues or expenditures.

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