

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -  
2008**

**COMMITTEE STATEMENT**

**LB819**

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**Hearing Date:** January 28, 2008

**Committee On:** Business and Labor

**Introducer(s):** (Business and Labor Committee)

**Title:** Change Employment Security Law information disclosure and electronic payment provisions

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**Roll Call Vote - Final Committee Action:**

Placed on General File with Amendments

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**Vote Results:**

6 Yes	Senators Cornett, Lathrop, McGill, Rogert, Wallman, White
0 No	
1 Absent	Senators Chambers
0 Present, not voting	

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**Proponents:**  
Senator Abbie Cornett  
John Albin

**Representing:**  
District 45  
Department of Labor

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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## Summary of purpose and/or change:

LB 819 was introduced at the request of the Department of Labor. LB 819 would provide technical clean-up to LB 265 (2007) regarding confidentiality requirements of employment security law.

Secondly, the bill would require employers with \$100,000 or more in annual payroll to electronically file their unemployment taxes, wage reports and reimbursements in lieu of contributions beginning on January 1, 2010. Current statute requires only employers with \$500,000 or more in annual payroll to file electronically.

Due to LB 739 in 2005, employer tax rates are recalculated at the end of the *fiscal year* (October – September). However, when a business acquires another business their rates are recalculated at the end of the *Calendar year*, causing the system to be out of sync. The changes to 48-654 in this bill would address the problem so that all recalculations take place at the end of the fiscal year.

### Section by Section Summary:

- Section 1. Would amend *Neb. Rev. Stat.* § 48-612.01 to correct grammatical errors in last year's legislation, LB 265. No substantive changes.
- Sections 2, 3 and 4. Would amend *Neb. Rev. Stat.* §§ 48-648, 48-648.01, and 48-649 to reduce the threshold for mandatory electronic filing of combined tax and wage returns and electronic payment of combined tax from an annual payroll of \$500,000 to an annual payroll of \$100,000, beginning with tax years commencing on or after January 1, 2010. Employers would continue to be exempted from electronic filing and payment requirements if electronic filing or payment would work a hardship on the employer.
- Section 5. Would amend *Neb. Rev. Stat.* § 48-654 regarding the recalculation of employer tax rates following the transfer of an employer experience account due to the sale or acquisition of a business. Under LB 819, the recalculation dates would be adjusted to match the new fiscal year tax rate calculation system adopted in LB 739 in 2005.
- Section 6. Repealer.

## Explanation of amendments, if any:

Committee Amendment 1791 would make an additional technical change to ensure that the Worker's Compensation Court can use employment confidentiality disclosures for purposes of enforcement of the Act. The amendment would also provide that positive experience account employers would be assigned to rate Category 19 and would reserve Category 20 for negative balance employers. Finally, the amendment would place two existing department of labor regulations into statute and attaches the emergency clause.

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Senator Abbie Cornett, Chairperson