

## **BILL ANALYSIS**

Senate Research Center  
77R3813 JMM-D

S.B. 1137  
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Business & Commerce  
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### **DIGEST AND PURPOSE**

Currently, employers of domestic workers are required to pay unemployment insurance taxes quarterly for each of their employees who make less than \$1,000 in a quarter. Paying these taxes quarterly is potentially inconvenient for these employers due to the normally low amount of taxes owed. As proposed, S.B. 1137 authorizes an employer of domestic service workers to pay unemployment tax contributions annually.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 201.027, Labor Code, by amending Subsection (b) and adding Subsections (c)-(g) to authorize an employer subject to this section who is not otherwise considered an employer under this subtitle to annually report quarterly wages and pay contributions. Requires that an employer who elects to report wages and pay contributions under this section to make the election not later than December 31 of the year before the first calendar year reported.

(c) Provides that contributions paid as provided by Subsection (b) become due and are required to be reported and paid by each employer not later than January 31 with respect to wages for employment paid in the preceding calendar year. Requires the Texas Employment Commission (commission), for a rate taking effect under Section 204.041(c) during the preceding calendar year, to estimate the rate, subject to a correction when a final computation is made as provided by Section 204.047(c).

(d) Requires an employer who elects to report wages and pay contributions annually to file, on the request of the commission, reports at other times as necessary to adjudicate a claim or to establish wage credits.

(e) Requires any penalty or interest imposed on an employer who reports wages and pays contributions annually under this section to be computed in the same manner as for other types of employment.

(f) Provides that an election by an employer under this section is not revocable by the employer before the second anniversary of the date of election.

SECTION 2. Amends Section 204.044, Labor Code, to authorize, in computing the benefit ratio for employers who are subject only to Section 201.027 and who have elected under that section to file reports annually, only taxable wages for which contributions have been paid to the commission on or before January 31.

SECTION 3. Amends Section 204.047, Labor Code, to provide an exception to this section.

Provides that an employer who reports annually under Section 201.027 has the same computation date as other employers, and prohibits the final computation of a rate for the employer from occurring before February 1 of the year following the computation date.

SECTION 4. Effective date: September 1, 2001.