



125th MAINE LEGISLATURE

LD 534

LR 910(01)

An Act To Clarify Successor Liability under the Employment Security Law

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Prescott of Topsham

Committee: Labor, Commerce, Research and Economic Development

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium revenue decrease - Federal Expenditures Fund

Fiscal Detail and Notes

Exempting licensed eating establishments from the required transfer of experience pursuant to Title 26, §1221, sub-§5-A will result in Maine law being out of compliance with both the Federal Unemployment Tax Act (FUTA) and with section 303 of the Social Security Act. According to information provided by the Department of Labor, being out of compliance could result in an estimated \$50-\$55 million in lost tax credits for all employers liable for the FUTA tax and the potential loss of administrative funding. The Bureau of Unemployment Compensation received administrative grants of \$18,400,000 in 2010-2011. Additional administrative grant funding to the Bureau of Employment Services and the Center for Workforce Research and Information could also be jeopardized.