

By: Fraser

S.B. No. 959

A BILL TO BE ENTITLED

AN ACT

relating to the payment of unemployment taxes under a staff leasing services contract.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 91.044, Labor Code, is amended to read as follows:

Sec. 91.044. UNEMPLOYMENT TAXES; PAYROLL. (a) A license holder is the employer of an assigned employee for purposes of Subtitle A, Title 4, and, except for wages subject to Section 91.032(c), for purposes of Chapter 61.

(a-1) A license holder shall report and pay all contributions and withholdings required under Subtitle A, Title 4, using:

(1) the client company's state employer account number; and

(2) the experience rating of the client company or, if the client company is not eligible for an experience rating, the initial contribution rate prescribed for a new employer.

(a-2) In addition to any other reports required to be filed by law, a license holder shall report quarterly to the Texas Workforce Commission on a form prescribed by the Texas Workforce Commission the name, address, telephone number, federal income tax identification number, and classification code as described in the "Standard Industrial Classification Manual" published by the

1 United States Office of Management and Budget of each client
2 company.

3 (b) For purposes of Subtitle A, Title 4, in the event of the
4 termination of a contract between a license holder and a client
5 company [~~or the failure by a staff leasing entity to submit reports~~
6 ~~or make tax payments as required by that subtitle~~], starting on the
7 date of termination of the contract, the contracting client company
8 is the employer of an assigned employee for purposes of Subtitle A,
9 Title 4, and Chapter 61.

10 (c) A client company under Subsection (b) shall report and
11 pay all contributions and withholdings required under Subtitle A,
12 Title 4, using the client company's experience rating or, if the
13 client company is not eligible for an experience rating, the
14 initial contribution rate prescribed for [~~shall be treated as~~] a
15 new employer [~~without a previous experience record unless that~~
16 ~~client company is otherwise eligible for an experience rating~~].

17 SECTION 2. The change in law made by this Act applies only
18 to contributions and withholdings required under Subtitle A, Title
19 4, Labor Code, due for employment services rendered on or after
20 January 1, 2014.

21 SECTION 3. This Act takes effect September 1, 2013.