

By: Vo

H.B. No. 2322

A BILL TO BE ENTITLED

AN ACT

relating to unemployment contributions paid by a common paymaster on behalf of more than one employer.

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

SECTION 1. Subchapter A, Chapter 204, Labor Code, is amended by adding Section 204.011 to read as follows:

Sec. 204.011. COMMON PAYMASTER. (a) In this section, "common paymaster" has the meaning assigned by 26 C.F.R. Section 31.3121(s)-1.

(b) Notwithstanding Section 201.046, a common paymaster may report wages and pay contributions to the commission on behalf of each employer served by the common paymaster.

(c) An employee who provides services for more than one employer served by a common paymaster is considered to be employed by a single employing unit for purposes of determining taxable wages of that employee. The taxable wages must be apportioned among the employers in proportion to the amount of time the employee spent working with each employer during the reporting period.

(d) This section does not affect the tax rate applied to each employer served by the common paymaster.

(e) The commission shall adopt rules to implement this section.

SECTION 2. The Texas Workforce Commission shall adopt rules necessary to implement Section 204.011, Labor Code, as added by

1 this Act, not later than December 1, 2019.

2 SECTION 3. The change in law made by this Act applies only
3 to wages paid for services provided on or after January 1, 2020.
4 Wages paid for services provided before that date are governed by
5 the law in effect immediately before the effective date of this Act,
6 and the former law is continued in effect for that purpose.

7 SECTION 4. This Act takes effect September 1, 2019.