

1 **ESB 6413 - H COMM AMD ADOPTED 2-28-96**

2 By Committee on Commerce & Labor

3 On page 2, beginning on line 1, strike all of subsection (a)
4 and insert the following:

5 "(a)(i) For transfers before January 1, 1997, the contribution
6 rate of the rate class assigned to the predecessor employer at the
7 time of the transfer for the remainder of that rate year and
8 continuing until the successor qualifies for a different rate in
9 its own right;

10 (ii) For transfers on or after January 1, 1997, the
11 contribution rate of the rate class assigned to the predecessor
12 employer at the time of the transfer for the remainder of that rate
13 year. Any experience relating to the assignment of that rate class
14 attributable to the predecessor is transferred to the successor.
15 Beginning with the January 1 following the transfer, the
16 successor's contribution rate shall be based on the transferred
17 experience of the acquired business and the successor's experience
18 after the transfer; or"

EFFECT: The amendment clarifies that when the "rate class" option applies, the contribution rate for successor employers who participate in business transfers before January 1, 1997, will be determined without transferring the predecessor's layoff experience. For these employers, the tax rate class of the predecessor will determine the tax rate until the successor qualifies for a rate in its own right.