

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4892-01
Bill No.: HB 1131
Subject: Unemployment Compensation; Federal - State Relations; Revenue Dept.; Social Services Dept.
Type: Original
Date: February 2, 2012

Bill Summary: This proposal would require the date services for remuneration were first performed by an employee to be included on withholding forms.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration**, the **Department of Labor and Industrial Relations**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Social Services**, **Office of the Director**, and **Family Support Division** stated in response to our request for information that a 2011 amendment to the federal Social Security Act requires employers to report the date a new employee first performed services for the employer to the states; and states are required to establish a State Directory of New Hires. The taxpayer identification numbers of reported new hires are matched against lists of recipients of benefits under the Unemployment Insurance, Title IV-D Family Support, and Temporary Assistance to Needy Families programs to reduce program overpayments.

Officials from the **Department of Social Services**, **Family Support Division** also stated that failure to have an approved state plan could jeopardize funding for the Title IV-D and TANF programs.

Oversight assumes that implementation of this proposal would meet the requirements to retain federal funding for the Unemployment Insurance, Title IV-D, and TANF programs and will indicate no fiscal impact for this proposal.

Oversight assumes that any state fiscal impact would result from maintaining and reporting the required information, and assumes that business employers including small businesses would have similar costs to meet the federal requirement. Such compliance cost is attributed to the federal requirement rather than the state implementation required by this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

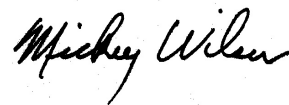
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is in response to a federal mandate, but it would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
 Division of Budget and Planning
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
 Office of the Director
 Office of Administration - Information Technology Services Division
 Family Support Division



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