



129th MAINE LEGISLATURE

LD 1058

LR 1227(01)

An Act Concerning Liability for Direct Reimbursement of Unemployment Benefits

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Bradstreet of Vassalboro

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - Other Funds

Potential current biennium revenue decrease - Federal Expenditures Fund

Fiscal Detail and Notes

Providing that a governmental entity that elects to make payments in lieu of contributions into the Unemployment Compensation Trust Fund is not liable to make payments for an individual who voluntarily separates from employment would create a conformity issue with the Federal Unemployment Tax Act (FUTA). Being ruled out of conformity would jeopardize Maine employers' FUTA tax credits, increasing employer federal unemployment taxes by approximately \$210 million annually, as well as \$19 million in federal funds that Maine currently receives to administer the state's Employment Security laws.