

HOUSE BILL NO. 5888

June 23, 2020, Introduced by Reps. Elder, Sabo, Guerra, Rabhi, Pohutsky, Gay-Dagnogo, Yancey, Kennedy, Lasinski, Brixie, Hood, Hertel, Cherry, Hoadley, Ellison, Manoogian, LaGrand, Stone, Hammoud, Koleszar, Sneller, Hope, Haadsma, Wittenberg, Tyrone Carter, Bolden, Garza, Chirkun, Kuppa, Pagan, Warren, Cambensy, Shannon, Brenda Carter, Clemente, Jones and Anthony and referred to the Committee on Government Operations.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
by amending section 13 (MCL 421.13), as amended by 2012 PA 493.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) Each employer subject to this act shall pay to
2 the unemployment agency a tax in the form of payments in lieu of
3 contributions where the employer is liable for those payments, or
4 tax contributions equal to a standard rate of 2.7% for calendar
5 years before 1985 and 5.4% for calendar year 1985 and thereafter,
6 subject to an adjustment in rate of contributions as provided in



1 section 19. The contributions shall become due and be paid to the
2 unemployment agency, for the unemployment compensation fund, by
3 each employer semiannually or for shorter periods of not less than
4 28 days, as the unemployment agency may by rule prescribe.
5 Contributions due and payable from an employer that is liable under
6 this act solely on the basis of the payment of wages for domestic
7 service may be paid annually on the date specified by the
8 unemployment agency. An obligation assessment payment made pursuant
9 to section 10a or a contribution payment made pursuant to this
10 section shall be credited first to interest on the obligation
11 assessment and then to the obligation assessment, with those
12 payments applied to amounts unpaid and owing in the oldest calendar
13 quarter and progressing each quarter to the most recent quarter.
14 Any remainder shall be credited first to penalties on
15 contributions, then to interest on contributions, and then to
16 contribution principal, with those payments applied to amounts
17 unpaid and owing in the oldest calendar quarter and progressing
18 each quarter to the most recent quarter. An employer's contribution
19 shall not be deducted directly or indirectly, in whole or in part,
20 from wages of individuals in his or her employ. A contribution
21 payment amount that is not an even dollar amount shall be credited
22 to the account of the employer in an amount equal to the next lower
23 dollar amount if under 50 cents and in an amount equal to the next
24 higher dollar amount if 50 cents or more. The unemployment agency
25 may prescribe by rule the details of the computation and payment of
26 contributions. Every employing unit shall file with the
27 unemployment agency periodic reports on forms and at a time the
28 unemployment agency prescribes to disclose liability for
29 contributions under this act. Each employing unit shall keep



1 records, including wage and employment records, and shall, within
 2 prescribed time limits, submit or provide reports, including wage
 3 and employment reports, to the unemployment agency or to the
 4 employing unit's employees or former employees as the unemployment
 5 agency prescribes by rule.

6 (2) Beginning with the first quarter of 1986, each employer
 7 shall file a quarterly wage report with the unemployment agency, on
 8 forms and at a time as the unemployment agency prescribes, ~~which~~
 9 ~~shall include~~ **that includes** for each of the employer's employees
 10 the employee's name, ~~social security~~ **Social Security** number, gross
 11 wages paid during ~~each~~ **the** quarter ~~, including all reported or~~
 12 **declared tips**, and the name, address, and federal and state
 13 employer identification number of the individual's employer. If the
 14 unemployment agency discovers an error in a report filed timely,
 15 the unemployment agency shall provide written notification to the
 16 employer of the error. If the employer provides corrected
 17 information within 14 days of the notification, the administrative
 18 fine provided in section 54 for a late, incomplete, or erroneous
 19 report shall not apply. An employer having more than 25 employees
 20 on January 1, 2013 shall file quarterly reports beginning with the
 21 report for the first quarter of 2013 by an electronic method
 22 approved by the unemployment agency. An employer having more than 5
 23 but fewer than 26 employees on January 1, 2013 shall file quarterly
 24 reports beginning with the report for the first quarter of 2014 by
 25 an electronic method approved by the unemployment agency. An
 26 employer having 5 or fewer employees on January 1, 2013 shall file
 27 quarterly reports beginning with the report for the first quarter
 28 of 2015 by an electronic method approved by the unemployment
 29 agency, except that the director of the unemployment agency, upon



1 application by the employer, may grant additional time for the
2 employer to comply with the electronic filing method if the
3 director concludes that satisfying the requirement of electronic
4 filing will cause economic hardship for the employer. The employer
5 shall provide, and the director shall consider, information about
6 the employer's anticipated cost expenditure for preparing for
7 electronic filing and about the employer's annual income. An
8 employer that complies with the reporting requirements of this
9 subsection by filing electronically a quarterly wage report using a
10 method approved by the unemployment agency is not required to file
11 periodically to disclose contributions under this act.

12 (3) The unemployment agency shall allow a contributing
13 employer that employed 25 or fewer individuals during the pay
14 period that includes January 12, 2012, or during the corresponding
15 pay period in each succeeding calendar year, and that incurred 50%
16 or more of the employer's total previous year's contribution
17 obligation in the first quarter of that year to discharge the
18 liability for contributions due in the next succeeding year through
19 quarterly payments that distribute the payment of the first
20 quarter's obligation equally over the 4 quarters in that year. To
21 avoid interest and penalties otherwise applicable to those
22 payments, an employer meeting the requirements of this subsection
23 shall notify the unemployment agency of the election to make
24 apportioned payments with the first quarter's payment and timely
25 file each succeeding quarterly payment in the amounts prescribed in
26 section 15a. This subsection applies to contributions beginning in
27 the 2013 tax year.

