

HOUSE BILL NO. 4506

March 11, 2021, Introduced by Reps. Aiyash, Kuppa, O'Neal, Hood, Young, Cavanagh, Haadsma, Weiss, Morse, Hope, Sabo, Breen, LaGrand, Steckloff, Tyrone Carter, Brixie, Scott, Brabec, Sowerby, Shannon, Cherry, Stone, Manoogian, Tate, Rabhi, Coleman and Yancey and referred to the Committee on Commerce and Tourism.

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,

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

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

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

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

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