

LEGISLATIVE BILL 834

Approved by the Governor March 3, 1998

Introduced by Tyson, 19

AN ACT relating to the Employment Security Law; to amend section 48-648, Revised Statutes Supplement, 1996; to change a provision relating to combined tax; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 48-648, Revised Statutes Supplement, 1996, is amended to read:

48-648. (1) Combined tax shall accrue and become payable by each employer not otherwise entitled to make payments in lieu of contributions for each calendar year in which he or she is subject to the Employment Security Law, with respect to wages for employment. Such combined tax shall become due and be paid by each employer to the commissioner for the State Unemployment Insurance Trust Fund and the Unemployment Trust Fund in such manner and at such times as the commissioner may, by rule and regulation, prescribe and shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ. In the payment of any combined tax, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(2) If two or more related corporations or limited liability companies concurrently employ the same individual and compensate such individual through a common paymaster which is one of such corporations or limited liability companies, each such corporation or limited liability company shall be considered to have paid as remuneration to such individual only the amounts actually disbursed by it to such individual and shall not be considered to have paid as remuneration to such individual amounts actually disbursed to such individual by another of such corporations or limited liability companies.

(3) An employee leasing company which places employees of a client-lessee on its payroll and leases such employees to the client-lessee on an ongoing basis for a fee shall be liable for the combined tax on wages paid by the employee leasing company to employees performing services for client-lessees at the combined tax rate for the employee leasing company. An employee leasing company shall comply with this section and section 48-649 and shall maintain separate records and submit separate quarterly combined tax and quarterly wage reports for each client-lessee. The combined tax and reports shall be made under the tax identification number of the employee leasing company. If any agreement between an employee leasing company and a client-lessee is terminated or if an employee leasing company fails to pay a combined tax or submit a report, the client-lessee shall be liable for all combined tax on the leased employees and shall be treated as a new employer without a previous employment record unless the client-lessee is eligible for a rate computation. Each employee leasing company shall maintain a list of its client-lessees and employees who have been assigned to work for each client-lessee. The list shall include the social security number of each employee. A copy of the list shall be provided to the department by June 30 and December 31. The provisions of this section shall not apply to any employment agency which only provides employees on a temporary basis if the employment agency is liable for the payment of contributions on wages paid to such employees.

Sec. 2. Original section 48-648, Revised Statutes Supplement, 1996, is repealed.