

- SUBJECT:** Annual unemployment tax payments by employers of domestic workers
- COMMITTEE:** Economic Development — favorable, without amendment
- VOTE:** 8 ayes — Solis, Keffer, Clark, Deshotel, Homer, McClendon, Seaman, Yarbrough
- 0 nays
- 1 absent — Luna
- WITNESSES:** For — *Registered, but did not testify:* Bill Hammond, Texas Association of Business and Chambers of Commerce
- Against — None
- On — Steve Riley, Texas Workforce Commission
- BACKGROUND:** Unemployment insurance taxes are collected by the Texas Workforce Commission (TWC) and deposited into the unemployment compensation trust fund to pay unemployment benefits. The general tax rate for unemployment insurance is based upon the total amount of wages paid by the employer and the number of “chargebacks” — unemployment benefits paid to former employees — to its account. Taxes must be paid by an employer on a quarterly basis.
- An employer of a domestic service worker must pay unemployment insurance taxes if the employer paid cash wages of \$1,000 or more for those services. Because of the low wages paid for these services, the taxes on these wages per employer generally only amount to a few dollars each quarter.
- DIGEST:** HB 1109 would allow an employer of a domestic service worker who is not otherwise considered an employer to make unemployment insurance tax payments on an annual basis. At the request of TWC, the employer would have to make reports at other times as necessary to adjudicate a claim or to establish wage credits.

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The bill would take effect September 1, 2001.

NOTES: The companion bill, SB 1137 by Carona, has been referred to the Senate Business and Commerce Committee.