

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-4630/1	Introduction Number SB-669																																	
Description Willful misclassification of an employee as a nonemployee by a person engaged in the painting or drywall finishing of buildings or other structures with intent to evade the laws related to income tax withholding, worker's compensation, unemployment insurance, or employment discrimination and providing a penalty																																		
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Agency/Prepared By	Authorized Signature	Date																																
DOR/ Bradley Caruth (608) 261-8984	Rebecca Boldt (608) 266-6785	4/22/2010																																

Fiscal Estimate Narratives

DOR 4/22/2010

LRB Number	09-4630/1	Introduction Number	SB-669	Estimate Type	Original
Description Willful misclassification of an employee as a nonemployee by a person engaged in the painting or drywall finishing of buildings or other structures with intent to evade the laws related to income tax withholding, worker's compensation, unemployment insurance, or employment discrimination and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, any employer engaged in the construction of roads, bridges, highways, sewers, water mains, utilities, public building, factories, housing, or similar construction projects who misclassifies an employee as a nonemployee willfully and with intent to evade any requirement of the laws relating to income tax withholding, worker's compensation, unemployment insurance, or employment discrimination is subject to a \$25,000 fine for each violation.

This proposal applies that fine to any person engaged in the painting or drywall finishing of buildings or other structures who willfully and with intent to evade any of those laws misclassifies an employee as a nonemployee.

The fine described under current law has had a minimal fiscal effect to date, but may have a greater impact as enforcement increases. The fiscal effect of this bill is unknown because it is not clear the extent to which the fine will be assessed to employers engaged in painting or drywall finishing of buildings or other structures. However, the fiscal effect is expected to be minimal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Willful misclassification of an employee as a nonemployee by a person engaged in the painting or drywall finishing of buildings or other structures with intent to evade the laws related to income tax withholding, worker's compensation, unemployment insurance, or employment discrimination and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	4/22/2010