

# SENATE BILL NO. 1004

June 25, 2020, Introduced by Senators MCCANN, HOLLIER, BRINKS, POLEHANKI, GEISS, MOSS, IRWIN, BAYER, CHANG, ALEXANDER, MCMORROW, WOJNO, ANANICH and SANTANA and referred to the Committee on Economic and Small Business Development.

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.