



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 858

PRINTERS NO. 1001

PRIME SPONSOR: Major

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
Unemployment Compensation Trust Fund	\$0	\$185,000

SUMMARY: Exempts overnight camps and summer day camps from withholding and paying Unemployment Compensation (UC) taxes on employees who are full-time students. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends the definition of "employment" to exempt services provided by full-time students working for children's overnight camps or summer day camps from any kind of coverage under the UC Law.

This legislation provides that camps will be eligible for the exemption if they operated for less than 7 months of the year or in the previous year, or their sales in any six-month period were less than one-third of the average sales for the other six months of that year

The exemption will be applicable to employees who do not work for the camp for more than 13 weeks each year and who are considered full-time students as follows:

- They are currently enrolled full-time at any secondary, higher educational, professional or vocational educational training school; or
- They are between academic terms, if they were enrolled full-time during the immediately preceding term or year and if there is reasonable assurance that they will be enrolled full-time during the immediately succeeding term or year

FISCAL IMPACT: According to the Department of Labor and Industry, this would result in a loss of about \$185,000 to the Unemployment Compensation Trust Fund. That number is derived from the loss in UC tax revenues from approximately 240 employers and 3,460 workers who would fall within the scope of this legislation.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 24, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.