
A BILL FOR AN ACT

RELATING TO EMPLOYMENT AND TRAINING ASSESSMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 383-129, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In addition to contributions determined by section
4 383-68, every employer, except an employer who has selected an
5 alternative method of financing liability for unemployment
6 compensation benefits pursuant to section 383-62, or an employer
7 who has been assigned a minimum rate of zero per cent or the
8 maximum rate [~~of five and four tenths per cent~~] of the
9 applicable schedule in accordance with section 383-68, shall be
10 subject to an employment and training fund assessment at a rate
11 of .01 per cent of taxable wages as specified in section 383-
12 61."

13 SECTION 2. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

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S.B. NO. 1160

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INTRODUCED BY: *Anne Mercedes*

BY REQUEST

Report Title:

Employment and Training Assessment

Description:

Beginning January 1, 2013, exempts the employment and training assessment on contributory employers with zero per cent and the maximum rate according to the applicable contribution rate schedule in section 383-68.

JUSTIFICATION SHEET

SB. NO. 1160

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO EMPLOYMENT AND TRAINING ASSESSMENT.

PURPOSE: The purpose of this bill is to clarify that the exemption from the Employment and Training (E&T) assessment will continue for contributory employers with a zero or the applicable maximum contribution tax rate.

MEANS: Amend section 383-129(a), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Currently, the E&T assessment is charged on all employers, except reimburseable employers and employers with a contribution tax rate of 0 percent or 5.4 percent. In 2012, Act 263 was enacted to permanently increase the highest tax rates in contribution rate schedules C to H from 5.4 percent to a maximum of 6.6 percent. Since the maximum tax rate in the contribution rate schedule is no longer 5.4 percent across the board, the E&T assessment should be corrected to delete the reference to 5.4 percent and reflect the maximum tax rate on every rate schedule.

Impact on the public: Contributory employers with zero and the highest tax rate on each schedule will not pay the E&T assessment.

Impact on the department and other agencies: The E&T program, administered by the Workforce Development Division, can continue to assist individuals in need of training or skills.

GENERAL FUND: None.

OTHER FUNDS: Federal.

SB. NO. 1160

PPBS PROGRAM
DESIGNATION: LBR 171.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: January 1, 2013.