

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1259

Bill Subtitle: TO AMEND THE DEFINITIONS OF "EMPLOYEE" AND "EMPLOYER" UNDER THE DIVISION OF STATE NEW HIRE REGISTRY.

Basic Change :

Representative Dale
Senator B. Pierce

HB 1259 would amend current definitions of employee and employer for the purpose of including subcontractors as individuals required to be reported to the State New Hire Registry. Currently the reporting of subcontractors is optional.

Revenue Impact :

None

Taxpayer Impact :

Minimal cost for system programming and cost to accommodate the new category of information.

Resources Required :

Current resources are sufficient.

Time Required :

Minimal additional time needed for implementation, form modification and notification of reporting requirements.

Procedural Changes :

None

Other Comments :

This change would treat subcontractors the same as traditional employees for the purpose of income withholding. Currently, some child support obligors fall outside of the definition of "employees" and their income that is not discoverable. This bill would allow that type of income stream to be known and an income withholding order to be issued.

Legal Analysis :

HB1259 amends current law by including a requirement to report to the State New Hire Registry those contract employees currently unreported.

An amendment to this bill is needed to address the "after the fact" nature of the issuance of a 1099-MISC. The amendment should address the anticipation of a payment that would trigger the issuance of a 1099-MISC and require reporting of the anticipated payment at such a time as to enable the issuance of an income withholding order to the employer.

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