

AMENDMENTS TO LB1413

(Amendments to Standing Committee amendments, AM2698)

Introduced by Hansen, 16.

1           1. Insert the following new section:

2           Sec. 39. Section 48-649.03, Revised Statutes Supplement, 2023, is  
3 amended to read:

4           48-649.03 (1) Once benefits have been payable from and chargeable to  
5 an employer's experience account throughout the preceding four calendar  
6 quarters and wages for employment have been paid by the employer in each  
7 of the two preceding four-calendar-quarter periods, the employer's  
8 combined tax rate shall be calculated according to this section. The  
9 combined tax rate shall be based upon the employer's experience rating  
10 record and determined from the employer's reserve ratio.

11           (2) The employer's reserve ratio is the percent obtained by dividing  
12 (a) the amount by which the employer's contributions credited from the  
13 time the employer first or most recently became an employer, whichever  
14 date is later, and up to and including September 30 of the year the rate  
15 computation is made, plus any part of the employer's contributions due  
16 for that year paid on or before October 31 of such year, exceed the  
17 employer's benefits charged during the same period, by (b) the employer's  
18 average annual taxable payroll for the sixteen-consecutive-calendar-  
19 quarter period ending September 30 of the year in which the rate  
20 computation is made. For an employer with less than sixteen consecutive  
21 calendar quarters of contribution experience, the employer's average  
22 taxable payroll shall be determined based upon the four-calendar-quarter  
23 periods for which contributions were payable.

24           (3) Each eligible experience rated employer shall be assigned to one  
25 of twenty rate categories with a corresponding experience factor as  
26 follows:

1	Category	Experience Factor
2	1	0.00
3	2	0.25
4	3	0.40
5	4	0.45
6	5	0.50
7	6	0.60
8	7	0.65
9	8	0.70
10	9	0.80
11	10	0.90
12	11	0.95
13	12	1.00
14	13	1.05
15	14	1.10
16	15	1.20
17	16	1.35
18	17	1.55
19	18	1.80
20	19	2.15
21	20	2.60

22 Eligible experience rated employers shall be assigned to rate  
23 categories from highest to lowest according to their experience reserve  
24 ratio, with category one assigned to accounts with the highest reserve  
25 ratios and category twenty assigned to accounts with the lowest reserve  
26 ratios. Each category shall be limited to no more than five percent of  
27 the state's total taxable payroll, except that:

28 (a) Any employer with a portion of its taxable wages falling into  
29 two consecutive categories shall be assigned to the lower category;

30 (b) No employer with a reserve ratio calculated to five decimal

1 places equal to the similarly calculated reserve ratio of another  
2 employer shall be assigned to a higher rate than the employer to which it  
3 has the equal reserve ratio; and

4 (c) No employer with a positive experience account balance shall be  
5 assigned to category twenty.

6 (4) The state's reserve ratio shall be calculated annually by  
7 dividing the amount available to pay benefits in the Unemployment Trust  
8 Fund and the State Unemployment Insurance Trust Fund as of September 30,  
9 plus any amount of combined tax owed by employers eligible for and  
10 electing annual payment status for the four most recent quarters ending  
11 on September 30 in accordance with rules and regulations adopted by the  
12 commissioner, by the state's total wages from the four calendar quarters  
13 ending on September 30. For purposes of this section, total wages means  
14 all remuneration paid by an employer in employment. The state's reserve  
15 ratio shall be applied to the table in this subsection to determine the  
16 yield factor for the upcoming rate year.

17 State's Reserve Ratio	Yield Factor
18 1.45 percent and above	= 0.70
19 1.30 percent up to but not including 1.45	= 0.75
20 1.15 percent up to but not including 1.30	= 0.80
21 1.00 percent up to but not including 1.15	= 0.90
22 0.85 percent up to but not including 1.00	= 1.00
23 0.70 percent up to but not including 0.85	= 1.10
24 0.60 percent up to but not including 0.70	= 1.20
25 0.50 percent up to but not including 0.60	= 1.25
26 0.45 percent up to but not including 0.50	= 1.30
27 0.40 percent up to but not including 0.45	= 1.35
28 0.35 percent up to but not including 0.40	= 1.40
29 0.30 percent up to but not including 0.35	= 1.45
30 Below 0.30 percent	= 1.50

1           The commissioner may adjust the yield factor determined pursuant to  
2 the preceding table to a lower ~~scheduled~~ yield factor if the state's  
3 reserve ratio is 1.00 percent or greater. The commissioner shall not  
4 decrease the yield factor below 0.50. Once the yield factor for the  
5 upcoming rate year has been determined, it is multiplied by the amount of  
6 unemployment benefits paid from combined tax during the four calendar  
7 quarters ending September 30 of the preceding year. The resulting figure  
8 is the planned yield for the rate year. The planned yield is divided by  
9 the total taxable wages for the four calendar quarters ending September  
10 30 of the previous year and carried to four decimal places to create the  
11 average combined tax rate for the rate year. Beginning with fiscal year  
12 2024-25 through fiscal year 2028-29, the final average combined tax rate  
13 shall be reduced by five percent.

14           (5) The average combined tax rate is assigned to rate category  
15 twelve as established in subsection (3) of this section. Rates for each  
16 of the remaining nineteen categories are determined by multiplying the  
17 average combined tax rate by the experience factor associated with each  
18 category and carried to four decimal places. Employers who are delinquent  
19 in filing their combined tax reports as of October 31 of any year shall  
20 be assigned to category twenty for the following calendar year unless the  
21 delinquency is corrected prior to December 31 of the year of rate  
22 calculation.

23           (6) In addition to required contributions, an employer may make  
24 voluntary contributions to the fund to be credited to his or her account.  
25 Voluntary contributions by employers may be made up to the amount  
26 necessary to qualify for one rate category reduction. Voluntary  
27 contributions received after February 28 shall not be used in rate  
28 calculations for the same calendar year.

29           (7) As used in sections 48-648 to 48-654, the term payroll means the  
30 total amount of wages during a calendar year, except as otherwise  
31 provided in section 48-654, by which the combined tax was measured.

- 1           2. On page 49, line 2, after the first comma insert "48-649.03,".
- 2           3. Renumber the remaining sections accordingly.