



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**LATE QUARTERLY WAGE REPORTS**

**House Bill 4804**  
**Sponsor: Rep. Deborah Whyman**  
**Committee: Labor**

**Complete to 6-7-93**

**A SUMMARY OF HOUSE BILL 4804 AS INTRODUCED 5-19-93**

The Michigan Employment Security Act requires employers to file with the Michigan Employment Security Commission (MESC) reports of wages and contributions due for each quarter by June 30 of each year and imposes certain penalty taxes for reports filed late. Currently, the act provides that an employer's contribution rate for quarterly reports filed late may not be less than the highest "experience component" applicable to any employer for that particular calendar year, except that for the first two consecutive calendar years of liability the employer must pay a rate of 2.7 percent for the calendar year affected. Also, the employer's contribution rates may not include a nonchargeable benefits component for the first four consecutive years of liability, except that employers involved in the building of certain public works projects pay a different rate.

The bill would delete these provisions and, instead, specifies that for quarterly wage reports filed late, an employer's contribution rate for that calendar year would be not less than the rate calculated on wage reports filed by the employer for the 12-month period plus a penalty rate of three percent. However, an employer who failed to file any wage reports for the 12-month period ending on June 30 of a year would be assigned the highest experience rate component applicable to any employer for the particular year, except that an employer whose contribution rate would otherwise be limited (i.e., construction employers and certain others) would receive the maximum rate allowed (under a section of the act that provides for different rates to be paid) for that employer and would also have to pay a penalty rate of three percent.

The act currently permits an employer to have his or her contribution rate redetermined if he or she files the reports no later than 30 days after the date of mailing of the notice of determination of contribution rate. The bill would add to this provision that an employer who filed the missing reports and any additional missing wage reports after the 30 days but not later than 3 years after the date when the determination of contribution rate was mailed would have to have his or her contribution rate redetermined (under the section that provides for different rates to be paid in certain cases) and also would have to pay a penalty rate of two percent. A penalty rate tax that was paid by an employer under the bill could not be credited to the employer's experience account and would have to be deposited into the interest and penalty account of the Michigan Employment Security Act Contingent Fund.

MCL 421.18