

# HOUSE BILL No. 5452

March 10, 2016, Introduced by Rep. Johnson and referred to the Committee on Commerce and Trade.

A bill to amend 1936 (Ex Sess) PA 1, entitled  
"Michigan employment security act,"  
by amending section 13 (MCL 421.13), as amended by 2012 PA 493.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 13. (1) Each employer subject to this act shall pay to  
2       the unemployment agency a tax in the form of payments in lieu of  
3       contributions ~~where~~ **IF** the employer is liable for those payments,  
4       or **SHALL PAY** tax contributions ~~equal to a standard rate of 2.7% for~~  
5       ~~calendar years before 1985 and 5.4% for calendar year 1985 and~~  
6       ~~thereafter, subject to an adjustment in rate of contributions as~~ **AT**  
7       **A RATE** provided in section 19. The contributions shall become due  
8       and be paid to the unemployment agency, for the unemployment  
9       compensation fund, by each employer semiannually or for shorter  
10      periods of not less than 28 days, as the unemployment agency may by

1 rule prescribe. Contributions due and payable from an employer that  
2 is liable under this act solely on the basis of the payment of  
3 wages for domestic service may be paid annually on the date  
4 specified by the unemployment agency. An obligation assessment  
5 payment made pursuant to section 10a or a contribution payment made  
6 pursuant to this section shall be credited first to interest on the  
7 obligation assessment and then to the obligation assessment, with  
8 those payments applied to amounts unpaid and owing in the oldest  
9 calendar quarter and progressing each quarter to the most recent  
10 quarter. Any remainder shall be credited first to penalties on  
11 contributions, then to interest on contributions, and then to  
12 contribution principal, with those payments applied to amounts  
13 unpaid and owing in the oldest calendar quarter and progressing  
14 each quarter to the most recent quarter. An employer's contribution  
15 shall not be deducted directly or indirectly, in whole or in part,  
16 from wages of individuals in his or her employ. A contribution  
17 payment amount that is not an even dollar amount shall be credited  
18 to the account of the employer in an amount equal to the next lower  
19 dollar amount if under 50 cents and in an amount equal to the next  
20 higher dollar amount if 50 cents or more. The unemployment agency  
21 may prescribe by rule the details of the computation and payment of  
22 contributions. Every employing unit shall file with the  
23 unemployment agency periodic reports on forms and at a time the  
24 unemployment agency prescribes to disclose liability for  
25 contributions under this act. Each employing unit shall keep  
26 records, including wage and employment records, and shall, within  
27 prescribed time limits, submit or provide reports, including wage

1 and employment reports, to the unemployment agency or to the  
2 employing unit's employees or former employees as the unemployment  
3 agency prescribes by rule.

4       (2) ~~Beginning with the first quarter of 1986, each~~ **EACH**  
5 employer shall file a quarterly wage report with the unemployment  
6 agency, on forms and at a time as the unemployment agency  
7 prescribes, which shall include for each of the employer's  
8 employees the employee's name, social security number, gross wages  
9 paid during each quarter, and the name, address, and federal and  
10 state employer identification number of the individual's employer.  
11 If the unemployment agency discovers an error in a report filed  
12 timely, the unemployment agency shall provide written notification  
13 to the employer of the error. If the employer provides corrected  
14 information within 14 days of the notification, the administrative  
15 fine provided in section 54 for a late, incomplete, or erroneous  
16 report shall not apply. An employer having more than 25 employees  
17 on January 1, 2013 shall file quarterly reports beginning with the  
18 report for the first quarter of 2013 by an electronic method  
19 approved by the unemployment agency. An employer having more than 5  
20 but fewer than 26 employees on January 1, 2013 shall file quarterly  
21 reports beginning with the report for the first quarter of 2014 by  
22 an electronic method approved by the unemployment agency. An  
23 employer having 5 or fewer employees on January 1, 2013 shall file  
24 quarterly reports beginning with the report for the first quarter  
25 of 2015 by an electronic method approved by the unemployment  
26 agency, except that the director of the unemployment agency, upon  
27 application by the employer, may grant additional time for the

1 employer to comply with the electronic filing method if the  
2 director concludes that satisfying the requirement of electronic  
3 filing will cause economic hardship for the employer. The employer  
4 shall provide, and the director shall consider, information about  
5 the employer's anticipated cost expenditure for preparing for  
6 electronic filing and about the employer's annual income. **UPON**  
7 **APPLICATION OF THE EMPLOYER, THE AGENCY SHALL GRANT AN EXEMPTION TO**  
8 **THE ELECTRONIC FILING REQUIREMENT UNDER THIS SUBSECTION TO**  
9 **ACCOMMODATE THE EMPLOYER'S RELIGIOUS PRACTICE THAT IS INCOMPATIBLE**  
10 **WITH ELECTRONIC FILING. AN EXEMPTION GRANTED AS A RELIGIOUS**  
11 **ACCOMMODATION IS RETROACTIVE TO JANUARY 1, 2015. AN EXEMPTION FROM**  
12 **ELECTRONIC FILING TO ACCOMMODATE A RELIGIOUS PRACTICE UNDER THIS**  
13 **SUBSECTION DOES NOT RELIEVE THE EMPLOYER FROM OTHER REQUIREMENTS OF**  
14 **THIS ACT, INCLUDING THE REQUIREMENT TO FILE A REPORT ON A FORM**  
15 **APPROVED BY THE DEPARTMENT WITHIN THE TIME INTERVALS REQUIRED UNDER**  
16 **THIS ACT.** An employer that complies with the reporting requirements  
17 of this subsection by filing electronically a quarterly wage report  
18 using a method approved by the unemployment agency is not required  
19 to file periodically **BY ANOTHER METHOD** to disclose contributions  
20 under this act.

21 (3) The unemployment agency shall allow a contributing  
22 employer that employed 25 or fewer individuals during the pay  
23 period that includes January 12, 2012, or during the corresponding  
24 pay period in each succeeding calendar year, and that incurred 50%  
25 or more of the employer's total previous year's contribution  
26 obligation in the first quarter of that year to discharge the  
27 liability for contributions due in the next succeeding year through

1 quarterly payments that distribute the payment of the first  
2 quarter's obligation equally over the 4 quarters in that year. To  
3 avoid interest and penalties otherwise applicable to those  
4 payments, an employer meeting the requirements of this subsection  
5 shall notify the unemployment agency of the election to make  
6 apportioned payments with the first quarter's payment and timely  
7 file each succeeding quarterly payment in the amounts prescribed in  
8 section 15a. This subsection applies to contributions beginning in  
9 the 2013 tax year.