

CHAPTER 735

H.B. No. 979

AN ACT

relating to the calculation of the deficit tax rate for unemployment compensation.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 7(c)(6)(B), Texas Unemployment Compensation Act (Article 5221b-5, Vernon's Texas Civil Statutes), is amended to read as follows:

(B) For purposes of this subdivision, the floor of the Unemployment Compensation Fund is an amount equal to the greater of Four Hundred Million Dollars (\$400,000,000) or one percent (1%) of the total taxable wages for the four calendar quarters ending the preceding June 30. When the amount in the fund on the October 1 computation date is less than the floor, for the next calendar year a deficit tax rate shall be added to the general rate for each employer entitled to an experience rate for that year. The deficit tax rate for the next calendar year is determined by multiplying the deficit ratio, as determined under Paragraph (C) of this subdivision, by the sum of the employer's general tax rate, the replenishment tax rate, and the deficit tax rate imposed for the calendar year in which the calculation is made. ~~[is equal to the deficit ratio (determined under Paragraph (C)) multiplied by the employer's tax rate computed under this Act for the year in which the computation occurs.]~~ An employer's deficit tax rate may not exceed two percent (2%).

SECTION 2. This Act takes effect September 1, 1987, and applies only to the computation of an employer's tax liability under the Texas Unemployment Compensation Act (Article 5221b-1 et seq., Vernon's Texas Civil Statutes), beginning with the computation made by the Texas Employment Commission for calendar year 1988.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 8, 1987, by a non-record vote. Passed by the Senate on May 23, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 18, 1987.

Effective Sept. 1, 1987.