



State of Tennessee

PUBLIC CHAPTER NO. 95

SENATE BILL NO. 102

By Norris, Johnson, Ketron

Substituted for: House Bill No. 91

By McCormick, Kevin Brooks, Alexander

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 7, Part 1; Section 50-7-304; Section 50-7-404; Section 50-7-501; Section 50-7-503 and Section 50-7-715, relative to unemployment insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 7, Part 1, is amended by adding the following as a new section:

() Any notification, notice, decision, or correspondence as prescribed by the commissioner for the administration of this chapter may be sent to or received by the department through electronic means, if an individual or entity agrees to send or receive such notifications, notices, decisions, or correspondence through electronic means.

SECTION 2. Tennessee Code Annotated, Section 50-7-304(b)(1)(C), is amended by deleting the last two sentences of the subdivision.

SECTION 3. Tennessee Code Annotated, Section 50-7-304(b)(2)(E)(i), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(i) In addition to any remedies authorized by this chapter, the department may offset any covered unemployment compensation debt, as defined in 26 U.S.C. § 6402, due to the department against any federal income tax refund due to the department's claimant debtor in accordance with § 6402 of the Internal Revenue Code (26 U.S.C. § 6402) and the federal Treasury Offset Program (31 CFR Part 285) or any successor program.

SECTION 4. Tennessee Code Annotated, Section 50-7-304(b)(2)(E)(ii), is amended by deleting the subdivision in its entirety.

SECTION 5. Tennessee Code Annotated, Section 50-7-404(c)(3), is amended by deleting the subdivision in its entirety and substituting instead the following language:

(3)(A) Except as otherwise provided in subdivision (c)(3)(B), beginning January 1, 2016, and each quarter thereafter, each employer with ten (10) or more employees, and every person or organization that, as an agent, reports wages on a total of ten (10) or more employees on behalf of one (1) or more subject employers, shall file that portion of the wage and premium report that contains the name, social security number, and gross wages of each individual in employment electronically in a format prescribed by the commissioner.

(B)(i) If an employer with at least ten (10) but not more than ninety-nine (99) employees, or a person or organization that, as an agent, report wages on a total of at least ten (10) but not more than ninety-nine (99) employees on behalf of one (1) or more subject employers, is required to file the wage and premium report electronically pursuant to subdivision (c)(3)(A), and submits an affidavit to the commissioner containing a statement made under the penalty of perjury that the employer would suffer an undue hardship by filing the wage and premium report electronically, the commissioner shall allow the employer to file the wage and premium report in a hard copy or paper format.

(ii) The affidavit required by subdivision (c)(3)(B)(i) shall be submitted within the first quarter, beginning January 1, 2016, and annually thereafter.

(iii) This subdivision (c)(3)(B) shall not apply to the extent that compliance with the subdivision would violate federal law or cause the department a loss of federal funding.

(C) If the internal revenue service regulations at 26 CFR 301.6011-2 are amended or superseded to reduce the threshold number of employees required by this section from ten (10) employees to a lower number of employees, this section shall remain consistent with those regulations as amended.

(D) For reports due for the quarter beginning July 1, 2016, and each quarter thereafter, any employer, person, or organization subject to this subdivision (c)(3) that fails to file electronically as prescribed in this subdivision shall be assessed a penalty of fifty dollars (\$50.00) for each month, or portion of a month, the report is past due; however, the total penalty for each report shall not exceed five hundred dollars (\$500). Penalties assessed pursuant to this subdivision (c)(3)(D) shall cease to accrue as soon as the subject employer, person, or organization complies with the requirements to report electronically.

SECTION 6. Tennessee Code Annotated, Section 50-7-501(a)(1)(I), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(I) Fees and administrative expenses collected under § 50-7-304(b)(2)(E)(ii) and penalties collected under § 50-7-715(b)(1).

SECTION 7. Tennessee Code Annotated, Section 50-7-503(a)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(1) There is created in the state treasury a fund to be known as the "unemployment compensation special administrative fund," which shall consist of interest collected on delinquent payments pursuant to § 50-7-404(a), the penalty rate payments collected under § 50-7-403(b)(2)(G)(i)(b), the civil money penalties collected under § 50-7-403(b)(2)(G)(ii), penalties collected in accordance with § 50-7-715(b)(2), and interest collected in accordance with § 50-7-715(c)(1).

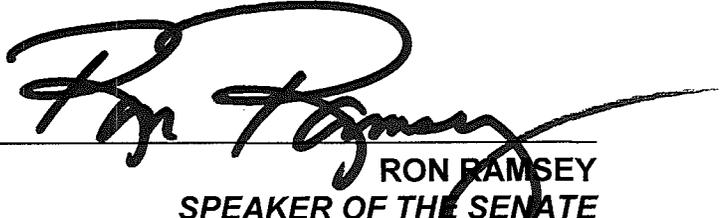
SECTION 8. Tennessee Code Annotated, Section 50-7-715(d), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(d) Moneys received by the department in repayment of unemployment benefits and payment of penalties and interest pursuant to this section shall first be applied to the unemployment benefits received, then to any penalties due, and then to any interest due.

SECTION 9. This act shall take effect July 1, 2015, the public welfare requiring it.

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PASSED: March 30, 2015

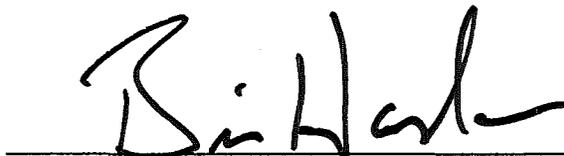


RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 10th day of April 2015



BILL HASLAM, GOVERNOR