

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2279

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 28, 1996

The Senate Commerce Committee reports favorably and with committee amendments Assembly Bill No. 2279 (1R).

This bill, as amended by the committee, requires individuals who employ only household workers to report the employee's wage taxes and withholdings once annually, on the employer's own New Jersey gross income tax return. The bill requires employers to satisfy the periodic payment of these tax obligations through additions to the employers' own regular estimated tax payments or wage withholding.

The bill reduces the administrative burden on individuals who hire only household workers by allowing those employers to eliminate nine separate filings and eight separate payments currently required for each calendar year and replaces them with one annual filing as part of the employer's own gross income tax return. Currently, employers of household workers must make a quarterly report and payment of the gross income taxes they withhold from an employee's pay and a quarterly report and payment of the unemployment contributions they withhold from their employee's pay and the contributions the employer makes. In addition to these eight quarterly reports and eight quarterly payments, the employer must make an annual gross income tax reconciliation report for the employee's gross income tax. Prior to the committee amendments, the bill eliminated the filing of four quarterly wage reports for household workers. The committee amendments reinstate the required filing of these four reports for household workers. The federal law requires continuation of quarterly wage reports for determining unemployment compensation eligibility, and also for administering such other federal-State cooperative programs as AFDC, Medicaid and food stamps.

"Domestic service" under the bill means domestic service as an employee in a private home of the employer, such as a babysitter, nanny, health aide, private nurse, maid, caretaker, yard worker or similar domestic employee.