

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### [Second Reprint] **ASSEMBLY, No. 2279**

with Senate committee amendments

## **STATE OF NEW JERSEY**

DATED: DECEMBER 11, 1997

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2279 (2R) with amendments.

Assembly Bill No. 2279 (2R), as amended, requires individuals who employ only household workers to report and pay the employee's wage taxes and withholdings once annually, on or before February 15th following the close of a calendar year, except when an employee is separated from employment in which case a report and payment must be made within 10 days after separation. The Division of Taxation is required to take such actions as are necessary to simplify employer reporting requirements pursuant to this bill.

The bill requires the Commissioner of Labor to seek approval from the federal government for the annual filings of wage reports required by the bill. If approval is not granted, the commissioner of Labor would not have to implement annual filings for certain information.

"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.

#### COMMITTEE AMENDMENTS

The committee amended the bill with the approval of the sponsor to:

- \* require employers to report by February 15th of the following calendar year;
- \* reinstate a provision deleted by the previous committee requiring a report to be filed within 10 days of the separation of employment;
- \* delete the general authority of the Commissioner of Labor to require quarterly returns;
- \* require the commissioner to seek approval from the federal government to implement the annual filing procedure required by the bill; and
- \* allow the commissioner to require quarterly returns if the

approval cannot be obtained.

#### **FISCAL IMPACT**

In a fiscal estimate prepared by the Office of Legislative Services (OLS), the OLS states that it is unable to provide a fiscal estimate of this bill due to insufficient data. However, based on a similar federal program, the OLS believes the fiscal effects of this legislation to be minimal. Although this legislation will result in some one-time costs to the State, the OLS estimates that it will, ultimately, save State revenues by reducing administrative costs. However, the data to estimate these savings are unavailable. The bill may also increase the number of employers who report income and pay taxes for domestic household workers to the State. However, it is not possible to measure this effect.