



Maryland Chamber of Commerce

Legislative Position

**SB 794
OPPOSE
Finance
Committee
02/23/10**

SB 794

Unemployment Insurance - Exemption from Covered Employment - Passenger Motor Vehicle Drivers

Bill Summary:

This bill would exempt work performed by a driver of a passenger motor vehicle with a capacity of up to 15 people from unemployment insurance (UI) coverage.

Maryland Chamber's Position:

The Maryland Chamber opposes the exemption of specific categories of employment from covered employment to avoid payment of unemployment insurance taxes. The Maryland Chamber understands why an employer would not desire to pay these taxes on an employee; however, the ability for an employer to exempt certain employees will result in no payroll tax being paid on these individuals, which ultimately weakens the Unemployment Insurance Trust Fund. This causes an undesired cyclical effect that would have negative consequences on businesses and the Trust Fund.

Due to the national recession, the health of Maryland's Unemployment Insurance system has been severely weakened, and the Trust Fund is close to depletion. Now is particularly a sensitive time to attempt to make such unnecessary exemptions from UI coverage.

For these reasons, the Maryland Chamber respectfully requests that the Committee give SB 794 an unfavorable report.

If questions please contact Allyson Black, ablack@mdchamber.org