S T A T E O F N E W Y O R K

7346

I N S E N A T E

May 13, 2014

Introduced by Sens. BOYLE, LARKIN -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to the definition of "employment" for the purposes of unemployment insurance

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 511 of the labor law is amended by adding a new subdivision 23 to read as follows:

23. OWNER-EMPLOYEE. THE TERM "EMPLOYMENT" SHALL NOT INCLUDE THE SERVICES OF THE SOLE EMPLOYEE OF AN EMPLOYER WHICH IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP, WHEN SUCH EMPLOYEE IS THE OWNER OF SUCH EMPLOYER, AND SUCH EMPLOYER HAS CERTIFIED, UNDER THE PENALTY OF PERJURY, ON ITS COMBINED RETURN REQUIRED BY PARAGRAPH FOUR OF SUBSECTION (A) OF SECTION SIX HUNDRED SEVENTY-FOUR OF THE TAX LAW THAT ITS SOLE EMPLOYEE IS ALSO ITS OWNER.

S 2. Notwithstanding any provision of article 18 of the labor law, any action, proceeding, fine, penalty payment, and interest thereon pending on the effective date of this act, arising from the inclusion within the definition of the term of "employment" pursuant to section 511 of the labor law, to a sole employee of an employer that is a corporation, limited liability company or partnership is owned by such employee, shall be dismissed and invalidated.

S 3. The commissioner of taxation and finance shall promulgate all rules and regulations and take all other actions necessary to implement the provisions of this act on or before its effective date, including developing any additional tax forms or other materials necessary to effectuate the provisions of this act.

S 4. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD15038-01-4