

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No. _____ Department or Agency: Department of Labor

Rule No. 480-4-2-.34

Rule Title: Common Ownership Acquisitions

X New _____ Amend _____ Repeal _____ Adopt by Reference _____

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? NO

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? NO

Is there another, less restrictive method of regulation available that could adequately protect the public? NO

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? NO

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? NO

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? YES

Does the proposed rule have an economic impact? NO

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer _____ /s Stephen McCormick _____

Date 8-21-13

(DATE FILED)
(STAMP)

APA-2
07/04

Department of
Labor

NOTICE OF INTENDED ACTION

AGENCY NAME: DEPARTMENT OF LABOR

RULE NO. & TITLE: 480-4-2-.34 Common Ownership Acquisitions

INTENDED ACTION: New Rule.

SUBSTANCE OF PROPOSED ACTION: The rule provides for the Assignment of unemployment tax rates to accounts with common ownership.

TIME, PLACE, MANNER OF PRESENTING VIEWS: All interested persons may submit data, views, or arguments in writing to Stephen McCormick, Department of Labor, 649 Monroe Street, Montgomery, Alabama 36131 by mail or in person between the hours of 8:00 am and 4:30 pm, Monday through Friday until and including October 07, 2013. Persons wishing to submit data, views or arguments orally should contact Stephen McCormick by telephone at (334) 242-8274 during this period to arrange an appointment.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: October 07, 2013

CONTACT PERSON AT AGENCY:

Stephen McCormick
Department of Labor
649 Monroe Street
Montgomery, AL 36131
Telephone: (334) 242-8274

_____/s Stephen McCormick_____
Stephen McCormick
Director, Governmental Affairs

ALABAMA DEPARTMENT OF LABOR
UNEMPLOYMENT COMPENSATION
ADMINISTRATIVE CODE

CHAPTER 480-4-2
TAX

480-4-2-.34 Common Ownership Acquisitions

(5) In the case of liable existing entities where common ownership exist and there is a transfer of employees between entities, master and sub-unit accounts will be established and rates merged.

Where there is common ownership and one existing liable company and another smaller company is formed from the initial company, wage transcripts will not be accepted. Master and sub-unit accounts will be established and the rates merged.

Where common ownership exists in the case of a partial successor that is found to be a full-successor and the predecessor company will remain active, a master sub-unit account will be established and both companies will receive the rate of the predecessor company.

In the case of a full successor between two liable companies with common ownership which occurs any time after the first day of the year, the remaining successor account will receive a new account number and the rates are merged where the rates differ. Where there is an acquirement of an existing liable company and a new company will be formed from that acquirement, the rate of the predecessor passes to the successor and a new account is assigned.

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Statutory Authority: Code of Ala. 1975, §25-2-7, 25-2-8, §25-4-8 and §25-4-111.

History: Filed August 21, 2013.