



1 circumstances in which an employer may designate a common paymaster for state  
2 unemployment tax reporting purposes. This will enable TWC to comply with its statutory  
3 requirements as long as the required implementation rules are in place by the effective  
4 date of this legislation, January 1, 2020.

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6 Because SB 2296 incorporates the federal FUTA definition of a common paymaster  
7 relationship into TUCA, staff believes it would be prudent, and within the intent of the  
8 legislation, to also align the rules under the proposed §815.117 closely with FUTA and  
9 largely mirroring its corresponding regulations. This would have the added benefit of  
10 allowing employers utilizing a common paymaster for federal tax purposes to easily  
11 match the same standards at the state level and ensuring that conformity with federal UC  
12 law is maintained.

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14 To achieve the intended effect, staff recommends the proposed rulemaking address  
15 definitions for common paymaster, what constitute related corporations, and concurrent  
16 employment. Additional areas of rulemaking which may benefit the Agency and its  
17 constituents would be a clear description and explanation of the application procedures  
18 for common paymaster, TWC's method of allocating taxes, and how this new tax  
19 arrangement will affect claims for unemployment benefits.

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21 Due to some of the complexities involved with the common paymaster relationship, staff  
22 also recommends providing examples in rule of common paymaster, what constitutes  
23 related corporations, and concurrent employment to alleviate potential confusion.

24  
25 Staff seeks approval to move forward with the proposed rulemaking as required by SB  
26 2296.