

1 HB408
2 209861-3
3 By Representative Kitchens
4 RFD: State Government
5 First Read: 11-FEB-21

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ENROLLED, An Act,

Relating to employment; to require an employer to use specified guidelines in order to determine whether a worker is engaged in employment for purposes of employment benefits and tax liabilities; to require a state agency, when applicable, to use those same specified guidelines to determine whether a worker is to be considered as an employee; and to provide exemptions for workers' compensation purposes.
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For purposes of determining eligibility for employee benefits and protections pursuant to Title 25 of the Code of Alabama 1975, relating to employment and unemployment, or determining tax liability for employees and employers pursuant to Title 40 of the Code of Alabama 1975, relating to revenue and taxation, an employer or state agency responsible for determining the employment status of an individual shall do both of the following:

(1) Use the test enumerated by the Internal Revenue Service in Rev. Rul. 87-41, 1987-1 C.B. 296, as amended or replaced from time to time, in making its determination.

(2) Apply the safe harbor provided in Section 530 of the Revenue Act of 1978, Public Law 95-600, as amended and extended by subsequent acts of Congress.

1 (b) Notwithstanding subsection (a), this section
2 shall have no application to, nor shall it have any impact
3 upon, any determination of whether a worker is engaged in
4 employment, or is considered an employee, for purposes of the
5 workers' compensation laws of this state.

6 Section 2. This act shall become effective on the
7 first day of the third month following its passage and
8 approval by the Governor, or its otherwise becoming law.

