

HARRY HUGHES, Governor

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This bill would amend the definition of wages for purposes of the State unemployment insurance tax to include as wages all sickness or accident disability payments other than those made under a workmen's compensation law.

The Attorney General has determined in the attached letter that the title of the bill states that the bill is intended to include as wages only those accident or disability payments that are made under a workmen's compensation law and therefore the bill is violative of Article III, Section 29 of the Maryland Constitution. Since the federal law with which House Bill 1541 was designed to conform does not become effective until January 1, 1985 and the bill itself had the same effective date, the purpose may be accomplished with an emergency bill in the next regular session of the General Assembly.

For that reason, I have decided to veto House Bill 1541.

Sincerely,
Harry Hughes
Governor

May 25, 1984

The Honorable Harry Hughes
Governor of Maryland
State House
Annapolis, MD 21401

Re: House Bill 1541

Dear Governor Hughes:

We have reviewed House Bill 1541 (Unemployment Insurance - Taxable Wages) for constitutionality and legal sufficiency. Unfortunately, because of a serious defect in its title, we are unable to approve this bill.

House Bill 1541 was introduced to amend the statutory definition of "wages" (Article 95A, § 20(n)), with the primary purpose of modifying the State unemployment tax required to be paid by employers under Article 95A, § 8.

The Federal Unemployment Insurance Tax Act was recently amended to provide that, effective January 1, 1985, payments made under an employer's plan for sickness or accident disability benefits, other than "payments which are received under a workm[e]n's compensation law", are to be considered wages for purposes of federal unemployment insurance tax. 26 U.S.C. § 3306(b)(2)(A), as amended by Pub. L. 98-21, Apr. 20, 1983, 97 Stat. 123, 125. Article 95A, § 20(n)(2) currently defines "wages" to exclude, among other types of employers' benefit plan