

Former Art. 95A, § 8(b), which set the standard rate at 2.7%, is deleted as obsolete. That rate was the highest standard rate established in Ch. 1, Acts of 1936 (Sp. Session). Similarly, former Art. 95A, § 8(c)(1), (ii), (iii), and (iv), which set the standard rate for periods that occurred before 1990, are deleted.

Defined terms: "Contributions" § 8-101

"Employing unit" § 8-101

"Taxable wage base" § 8-601

8-609. RATE FOR NEW EMPLOYING UNITS.

(A) ESTABLISHED.

AN EMPLOYING UNIT THAT DOES NOT QUALIFY FOR AN EARNED RATE UNDER § 8-610 OF THIS SUBTITLE, SHALL PAY CONTRIBUTIONS AT A RATE THAT DOES NOT EXCEED 2.8% OF THE TAXABLE WAGE BASE, AND THAT IS THE HIGHEST OF:

(1) 1% OF THE TAXABLE WAGE BASE;

(2) THE 5-YEAR BENEFIT COST RATE OF THE STATE AS COMPUTED UNDER SUBSECTION (B) OF THIS SECTION; OR

(3) THE CONTRIBUTION RATE UNDER § 8-611 OF THIS SUBTITLE THAT APPLIES TO AN EMPLOYING UNIT WITH A BENEFIT RATIO OF .0000.

(B) COMPUTATION OF 5-YEAR BENEFIT COST RATE.

ANNUALLY, THE SECRETARY SHALL COMPUTE THE 5-YEAR BENEFIT COST RATE OF THE STATE BY DIVIDING THE SUM OF REGULAR BENEFITS, WORK SHARING BENEFITS, AND 50% OF EXTENDED BENEFITS THAT THE STATE PAID DURING THE 5 CONSECUTIVE CALENDAR YEARS IMMEDIATELY PRECEDING THE COMPUTATION DATE BY THE TOTAL AMOUNT OF WAGES THAT EMPLOYING UNITS IN THE STATE PAID DURING THE SAME PERIOD THAT WERE SUBJECT TO CONTRIBUTIONS.

(C) FOREIGN CONTRACTORS AS NEW EMPLOYERS.

(1) IN THIS SUBSECTION, "FOREIGN CONTRACTOR" MEANS A PERSON:

(I) WHO, FOR A COMMISSION OR FIXED PRICE BIDS ON, ACCEPTS, OR OFFERS TO ACCEPT ORDERS OR CONTRACTS FOR PERFORMING OR SUPERINTENDING CONSTRUCTION, REMOVAL, REPAIR, OR IMPROVEMENT OF ANY BUILDING OR STRUCTURE THAT IS PERMANENTLY ANNEXED TO REAL PROPERTY THAT IS OWNED, CONTROLLED, OR LEASED BY ANOTHER PERSON; AND

(II) ALL OR A MAJORITY PART OF WHOSE PRIMARY OPERATIONS TRADITIONALLY HAVE BEEN AND CONTINUE TO BE BASED OR HEADQUARTERED IN ANOTHER STATE AND ARE NOT CONTROLLED OR DIRECTED FROM THIS STATE.