

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1095</b>
<b>Version:</b>	<b>SAHB</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Osburn</b>
<b>Date:</b>	<b>5/1/2019</b>
<b>Impact:</b>	<b>no anticipated impact on state unemployment tax rates or unemployment benefit rates</b>

**Research Analysis**

Engrossed HB 1095 amends the Oklahoma Employment Security Act to apply the 20-factor test used by the IRS in determining whether an employer-employee relationship exists.

Senate Amendments to HB 1095 give OESC the exclusive authority to determine whether an individual is an independent contractor or an employee.

Prepared By: Sean Webster

**Fiscal Analysis**

HB 1095 in its current form modifies the test used to determine whether an individual is considered an employee of an employer or an independent contractor. Independent contractors are not eligible for unemployment benefits and businesses who contract for effort from independent contractors do not pay state unemployment taxes for such contractors.

The Oklahoma Employment Security Commission (OESC) is a nonappropriated state agency whose administration is funded by federal monies while unemployment benefits are paid from state unemployment taxes collected from employers. OESC does not currently predict a material change in the rates of unemployment taxes or unemployment benefits as a result of HB 1095.

Prepared By: John McPhetridge

**Other Considerations**

None.