

ASSEMBLY BILL

No. 2577

Introduced by Assembly Member Knight

February 19, 2010

An act to add Section 13004.2 to the Unemployment Insurance Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2577, as introduced, Knight. Employment: taxes and contributions: aerospace industry.

Existing law requires employers to make specified payments and withholdings from wages paid for employment. Existing law requires that employer payments and withholdings be paid to the Employment Development Department. Existing law excludes certain services, including sales presentations of services and other intangibles in the home, from those employer payments and withholdings.

This bill would also exclude from those employer payments and withholdings the services performed by a nonresident who is working temporarily in this state for no more than 120 days and is employed in the aerospace industry, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13004.2 is added to the Unemployment
- 2 Insurance Code, to read:
- 3 13004.2. (a) "Employee" does not include an individual if all
- 4 of the following conditions exist:

- 1 (1) The individual is a nonresident who is working temporarily
- 2 in this state for no more than 120 days in any 12-month period and
- 3 is employed in the aerospace industry.
- 4 (2) Substantially all of the remuneration, whether or not paid
- 5 in cash, for the services performed by that individual are for
- 6 services directly related to the aerospace industry.
- 7 (3) The services performed by the individual are performed
- 8 pursuant to a written employment contract that provides that the
- 9 individual will not be treated as an employee with respect to those
- 10 services for state income tax purposes.
- 11 (b) For purposes of this section, “aerospace industry” means
- 12 businesses primarily engaged in one or more of the following:
- 13 (1) Manufacturing complete aircraft, missiles, or space vehicles.
- 14 (2) Manufacturing aerospace engines, propulsion units, auxiliary
- 15 equipment, or parts.
- 16 (3) Developing and making prototypes of aerospace products.
- 17 (4) Aircraft conversion, by which major modifications are made
- 18 to aircraft systems.
- 19 (5) Complete aircraft or propulsion systems overhaul and
- 20 rebuilding, including, but not limited to, periodic restoration of
- 21 aircraft to original design specifications.