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CERTIFICATION OF RESIDENCY FOR CONTRACTORS NO LONGER REQUIRED

The Louisiana Department of Revenue (LDR) has discontinued a program that certified the residency of contractors performing jobs in Louisiana. The Certification of Residency for Contractors program was originally put in place to ensure that out of state contractors were paying sales and use tax when doing business in Louisiana.

The Louisiana Department of Revenue is discontinuing the program because it was not increasing compliance with Louisiana's tax laws.

Louisiana based contractors previously certified by LDR are no longer required to renew those certifications. Out of state contractors are no longer required to pay the \$10 application fee per contract or post a bond with the Department of Revenue.

However, every resident and nonresident contractor performing jobs in Louisiana must still register with the LDR for Louisiana general sales tax and any other applicable taxes, including income and withholding taxes. Contractors must submit proof of tax registration to the permitting office with jurisdiction over any jobs they perform.

All contractors remain subject to the laws and regulations administered by the Louisiana State Licensing Board for Contractors.

FINAL PAYCHECK REQUIREMENT FOR EMPLOYERS

Louisiana law requires businesses to issue a final paycheck within 15 days from the date of

discharge or termination to any employee who is laid off, fired, or who quits their job. Wages include vacation time earned by the employee. If the final check is not received, a former employee should send a written demand for payment of their final wages to their employer. After receipt of a written demand, the employer must pay all wages owed to the employee on a timely basis or be subject to a penalty that may be imposed by a court under Louisiana law.

IRS LOWERS MILEAGE RATES FOR 2010

The IRS has announced that, effective January 1, 2010, the standard mileage rates for the use of a car (or van, pickup or truck) for business purposes will decrease slightly from 55 cents per business mile driven down to 50 cents. This is the standard mileage rate used to calculate the deductible costs of operating an automobile for business purposes. This rate is used by many businesses to reimburse employees for mileage traveled in their personal vehicles for business reasons. Businesses always have the option not to use this standard rate and instead calculate the actual costs of using a vehicle for business reasons.

NEW REVISED POSTERS NOW REQUIRED

The Louisiana Workforce Commission has recently updated two of the posters that all Louisiana employers must post at their place of business. The updated Earned Income Credit poster and the Equal Opportunity for All poster are included in this newsletter. Simply place these panels over your existing panels on the complete labor law poster we provided your business in 2009.

In addition, if you have 50 or more employees, you must post an updated FMLA poster. If your business is required to comply with The Family and Medical Leave Act, please call our offices at 800-262-4483 for the new version of the poster and we will mail it to you free of charge. If you do not have at least 50 or more employees, you are not required to use this poster.

When you renew your LSBA membership this year, LSBA will send you a new labor law poster that contains all state and federally required posters that all employers must post at their place of business. You may recall receiving a new poster in 2009 as part of your LSBA membership renewal and when you renew in 2010, we will again send you a new poster that contains new revised posters for The Earned Income Credit and the Equal Opportunity for All.

USEFUL INFORMATION ON UNEMPLOYMENT COMPENSATION

Learn about Louisiana's Unemployment Compensation Law and how it affects your business by visiting the Louisiana Workforce Commission's (LWC) website at: http://www.laworks.net/UnemploymentInsurance/UI_Employers.asp.

You can also access this information from the LSBA website by visiting www.louisianasba.org. The LWC's website provides information on what makes a claimant eligible for benefits and when is an employer liable to pay UI taxes. Convenient online services include filing quarterly contribution reports, viewing your recent benefit charge statements and tax rate notices, or submitting separation notices. Learn about UI tax rates. Find answers about tax audits and why they are performed. Download an employer account number application or benefit charge protest form as well as many other useful employer forms.

EMPLOYERS NOW REQUIRED TO USE REVISED I-9 FORM

All employers are responsible for completing and keeping on file a Form I-9 for each of their employees. This Form is required for both citizens and non-citizens. The Form is used to verify

employees' authorization to work in the United States, and only certain documentation is acceptable to prove employment eligibility. Acceptable documents are listed on the back of the form. Completed I-9's must be filled out within 3 days after hiring each employee and must be kept for 3 years after the employee's date of hire or for one year after employment is terminated, whichever is later.

Effective April 3, 2009, employers in the United States have been required to use a revised version of the I-9 form. It can be found at the United States Citizenship and Immigration Service (USCIS) web site at <http://www.uscis.gov/files/form/i-9.pdf>. The new revised I-9 form makes it clear that employees can not show expired documents as identification for verification of eligibility to work in the United States. Expired documents are more prone to tampering and fraudulent use.

In addition, the new I-9 again reduces the number of acceptable documents that employees can show employers for identification and work-authorization purposes.

The Department of Homeland Security wants to ensure that documents presented for use in the Form I-9 process are valid and reliably establish both identity of the prospective employee and employment authorization. Expired documents may not portray a valid status and they are also prone to tampering and fraudulent use. If a document does not contain an expiration date, such as a Social Security card, it is considered unexpired.

Employers may accept only documents listed on the List of Acceptable Documents on the revised Form I-9. When an employee must be re-verified because his or her employment authorization has expired, employers should ensure that they use the revised Form I-9 with its new List of Acceptable Documents.

Employers only need to complete the revised version of the I-9 for new employees. Employers should not be completing Forms I-9 for existing employees. However, employers must use the I-9 when their employees require re-verification.