

*From the desk of Jeanne M. Kerkstra, Esq., CPA*

**Viewpoint  
Looking to Employers to Plug State Deficits**

States have budget deficits and are looking for ways to generate revenue (or limit deductions).

South Carolina's House just passed H.4400, which if approved by its Senate, as law would, among other things:

1. Cap deductible wages or remuneration at \$600 per year for "unauthorized" employees for contractors on public works;
2. Require mandatory higher withholding of state income tax on these "unauthorized" employees; and
3. Provide a right to sue to an employee who believes he lost his job to an "unauthorized" employee.

If it works in South Carolina, stand back. Other states, including Illinois, will most likely pass copycat bills.

Take preventative measures before you are forced to defend yourself. Call me to discuss these issues and others you may have.

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