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## **HEALTH CARE UPDATE**

The skyrocketing cost of health care for small businesses is an issue many of our members are concerned about. Many small businesses want to provide health insurance for their employees but are discouraged or prevented from doing so because of the ever-increasing prices.

This Session, Representative Frank Farkas (R-St. Petersburg) and Senator Jim King (R-Jacksonville) took the lead in trying to help small businesses with this problem. In the March edition of this newsletter, we told you about their legislation which would give small employers who have been unable to afford health insurance for their employees another option. Their idea was to make health insurance policies issued for small businesses more flexible (and hopefully more affordable) by allowing varying levels of co-pays and deductibles. By increasing the co-pays made by the employee or increasing the deductibles which have to be met, the policies should be less expensive for small businesses and their employees.

This concept is contained in Senate Bill 46E, sponsored by Senator Burt Saunders (R-Naples), passed during the recent Special Session of the Legislature. The bill, which will become effective October 1, 2002, states that laws restricting or limiting deductibles, co-insurance, co-payments, or lifetime maximum benefits do not apply to policies offered to small employers. The bill also creates the Health Flex Plan Pilot Project, which creates pilot projects in 3 of the highest uninsured areas of the state and in Indian River County. Uninsured persons in these areas who are at or below 200% of the federal poverty level will be eligible to purchase Health Flex Plans that will provide basic health insurance but will not have to cover certain items currently mandated by law.

While these two concepts will certainly not magically make health insurance more affordable for all small businesses, hopefully this new law is a start in the right direction.

If you have any questions about this new law on health insurance, please call the FUBA offices and ask for Karen or Lance.

## **ATTENTION CONTRACTORS: WORKERS' COMPENSATION EXEMPTIONS CHANGE ON JULY 1, 2002**

In April's edition of the newsletter, we told you about Senate Bill 108, which radically changed how construction exemptions from workers' compensation are handled in Florida. The Governor has signed this bill, and it will take effect July 1, 2002. **Effective on that date, construction exemptions will no longer be valid on any "commercial building project" valued at \$250,000 or greater.** A "commercial building project" is defined in the law as any building or structure intended for commercial or industrial use, including any building or structure intended for multifamily use of more than 4 dwelling units. It does not include a project that is converting an existing residential building to a commercial building. This means all condominium and apartment building projects of more than 4 units will be considered "commercial." Also, the \$250,000 is the value of the total project, not just one subcontractor's portion of the project.

Contractors working on residential projects will still be allowed to have their current exemptions. The law is not changing for contractors who only perform residential work.

Please make sure you are aware of how this new law will affect you and your construction

business.

### **Corporate Officers of a Construction**

**Business:** Corporations involved in the construction industry will still be allowed to exempt up to 3 corporate officers, but the exemptions will only be valid for residential construction projects. The exemptions will not be valid on any commercial building project (see definition above) valued at \$250,000 or greater. The corporation will have to purchase workers' compensation for the officers if and when they are working on commercial building projects.

### **Sole Proprietors and Partners in a**

**Construction Business:** Sole proprietors and partners will still be allowed to exempt themselves from workers' compensation, but only when they are performing residential work. Their exemptions will not be valid on commercial construction jobs valued at \$250,000 or greater. When they work on commercial jobs, they will have to have a workers' compensation policy to cover them .

This new law is extremely confusing, but the end result is clear: everyone working on a commercial building project that is valued at \$250,000 or greater must have workers' compensation coverage. No exemptions (for anyone) will be valid on these jobs after July 1, 2002.

## **POSTER UPDATE**

Part of the new workers' compensation law discussed above is the requirement that businesses post an anti-fraud poster at their workplace. Even though this requirement is supposed to begin July 1, 2002, the state has not yet drafted the poster. FUBA is currently working with state officials to provide you with this poster at either no charge or a nominal charge, but right now we do not have anything to send you. As soon as we have the posters available, we will let you know both through the newsletter and through our website at [www.fuba.org](http://www.fuba.org).

While we are on the subject of posters, please do not be tricked into buying unnecessary employment posters! You probably receive weekly solicitations to purchase expensive employment posters from various companies. These solicitations usually look somewhat "official" and use threatening language like "You Can Be Fined Up to \$7,000!" These companies usually charge from \$40 to \$80 for these posters.

PLEASE be assured that FUBA keeps you up to date on ALL required state and federal employment

posters that you need to have posted at your workplace. When you join FUBA, you receive one free poster that contains all required postings, and it is guaranteed to be accurate for one year. After that, if anything changes, we provide you with the new individual posters at either no charge or a nominal charge. This is one of the most important benefits of being a FUBA member.

If the poster you have now is pretty old and you would like to order a new one, they are only \$10 plus tax and shipping. We make no profit from these because we only charge our members enough to cover our printing charges. Please call the FUBA offices if you wish to order a new poster or if you have any questions about which posters are required.

## **DID YOU REMEMBER TO FILE YOUR INTANGIBLE TAX RETURN?**

The Florida intangible tax, which applies to stocks, bonds, mutual funds and certain other assets, is due no later than June 30<sup>th</sup>. Individual taxpayers are allowed to exempt the first \$20,000 in taxable assets from the tax and pay the tax on any assets they have over that amount. Couples filing jointly may exempt the first \$40,000 in taxable assets.

The minimum payment threshold is \$60. If you owe less than \$60, you are not required to pay the intangible tax. This means businesses may own up to \$60,000 in taxable assets before they are required to pay intangible tax. Individual taxpayers (i.e., not corporations), can own up to \$80,000 in stocks and bonds before they are required to pay the tax.

One new change for businesses this year is that corporations who are not required to pay the intangible tax are not required to submit a tax return. Also, corporations are not required to provide stock value information to their shareholders or to the Department of Revenue. In the future, the only time a corporation must file an information report is when the corporation is paying the intangible tax as an agent for its shareholders.

If you have any questions about the intangible tax, please contact your local accountant or tax professional.