

AMENDED IN ASSEMBLY MAY 11, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1245**

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**Introduced by Assembly Member Cooley**

February 27, 2015

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An act to amend Sections 1088, 1110, 1112, 1114, *13002*, and 13021 ~~of of~~, and to add Section 1112.1 to, the Unemployment Insurance Code, relating to unemployment insurance.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1245, as amended, Cooley. Unemployment insurance: electronic reporting and funds transfers.

(1) Existing law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Existing law requires an employer, as defined, to file a report of contributions, a quarterly return, a report of wages paid, and an annual reconciliation return, as specified, to the Director of Employment Development and to make contributions for unemployment insurance premiums. Existing law provides that an electronic funds transfer of contributions satisfies the report of contributions filing requirements.

This bill, ~~would~~ beginning on January 1, 2017, would require an employer with 10 or more employees to file all reports and returns electronically and remit all contributions for unemployment insurance premiums by electronic funds transfer, except as provided. The bill, beginning on January 1, 2018, would extend the application of these electronic filing and *fund* transfer requirements to all employers. The

bill would authorize the granting of a waiver from these requirements, as specified. *The bill would impose a penalty of \$50 on those employers who fail to file a quarterly return electronically without good cause, and would until January 1, 2019, exempt certain employers' timely nonelectronic filings from that penalty.*

(2) Existing law imposes a 15% penalty on an employer who fails to timely pay the contributions and imposes a \$20 penalty for each unreported wage item.

This bill would extend those penalties to an employer, subject to the above-described electronic filing requirements, who fails to file the required reports ~~electronically~~. *electronically and would, on and after January 1, 2017, and until January 1, 2019, exempt certain employers from those penalties.*

(3) Existing law requires employers to withhold income taxes each calendar quarter, file a withholding report, a quarterly return, a report of wages, and pay over the taxes required to be withheld.

This bill, beginning on January 1, 2017, would require an employer subject to the above-described electronic filing requirements to remit the withheld taxes by electronic funds transfer. The bill would authorize a waiver from these requirements, as specified.

The bill would also make related conforming changes.

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 1088 of the Unemployment Insurance  
2 Code is amended to read:  
3 1088. (a) (1) Each employer shall file with the director within  
4 the time required by subdivision (a) or (d) of Section 1110 for  
5 payment of employer contributions, a report of contributions, a  
6 quarterly return, and a report of wages paid to the ~~employee's~~  
7 *employer's* workers in the form and containing any information  
8 as the director prescribes. An electronic funds transfer of  
9 contributions pursuant to subdivision (f) of Section 1110 shall  
10 satisfy the requirement for a report of contributions. The quarterly  
11 return shall include the total amount of wages, employer  
12 contributions required under Sections 976 and 976.6, worker  
13 contributions required under Section 984, the amounts required to  
14 be withheld under Section 13020, or withheld under Section 13028,

1 and any other information as the director shall prescribe. The report  
2 of wages shall include individual amounts required to be withheld  
3 under Section 13020 or withheld under Section 13028.

4 (2) (A) In order to enhance efforts to reduce tax fraud and to  
5 reduce the personal income tax reporting burden, effective January  
6 1, 1997, the report of wages shall also include the full first name  
7 of the employee and total wages, as defined in Section 13009, paid  
8 to each employee. This paragraph shall apply to reports of wages  
9 for all periods ending on or before December 31, 1999.

10 (B) For all periods beginning on or after January 1, 2000, the  
11 report of wages shall also include total wages subject to personal  
12 income tax, as defined in Section 13009.5, paid to each employee.

13 (b) Each employer shall file with the director within the time  
14 required by subdivision (b) or (d) of Section 1110 for payment of  
15 worker contributions, a report of contributions containing the  
16 employer's business name, address, and account number, the total  
17 amount of worker contributions due, and any other information as  
18 the director shall prescribe. The director shall prescribe the form  
19 for the report of contributions. An electronic funds transfer of  
20 contributions pursuant to subdivision (f) of Section 1110 shall  
21 satisfy the requirement for a report of contributions.

22 (c) In addition to the report of contributions, quarterly return,  
23 and report of wages required by employers under subdivision (a),  
24 an individual who has elected coverage under subdivision (a) of  
25 Section 708 is also required to file a separate report of  
26 contributions, and quarterly return, subject to Part 2 (commencing  
27 with Section 2601).

28 (d) Any employer making an election under subdivision (d) of  
29 Section 1110 shall submit the report of wages described in  
30 subdivision (a), within the time required for submitting employer  
31 contributions under subdivision (a) of Section 1110.

32 ~~(e) (1) In addition to the report of contributions, quarterly return,~~  
33 ~~and report of wages described in subdivision (a), each employer~~  
34 ~~shall file with the director an annual reconciliation return showing~~  
35 ~~the total amount of wages, employer contributions required under~~  
36 ~~Sections 976 and 976.6, worker contributions required under~~  
37 ~~Section 984, the amounts required to be withheld under Section~~  
38 ~~13020 or withheld under Section 13028, and any other information~~  
39 ~~as the director shall prescribe. This annual reconciliation return~~  
40 ~~shall be due on the first day of January following the close of the~~

1 prior calendar year and shall become delinquent if not filed on or  
2 before the last day of that month.

3 ~~(2) This subdivision shall not apply to individuals electing~~  
4 ~~coverage under Section 708 or 708.5 or employers electing~~  
5 ~~financing under Section 821.~~

6 ~~(3) The requirement to file the annual reconciliation return for~~  
7 ~~the prior calendar year under this subdivision shall not apply to~~  
8 ~~the 2012 calendar year and thereafter.~~

9 ~~(f) (1) Except as provided in paragraph (2), for~~

10 ~~(e) For purposes of making a report of wages under subdivision~~  
11 ~~(a), employers that are required under Section 6011 of the Internal~~  
12 ~~Revenue Code and authorized regulations thereunder to file~~  
13 ~~magnetic media returns, shall, within 90 days of becoming subject~~  
14 ~~to this requirement, do one of the following:~~

15 ~~(A)~~

16 ~~(1) File any subsequent reports of wages electronically.~~

17 ~~(B)~~

18 ~~(2) Establish to the satisfaction of the director that there is a~~  
19 ~~lack of automation, a severe economic hardship, a current~~  
20 ~~exemption from submitting magnetic media or electronic~~  
21 ~~information returns for federal purposes, or other good cause for~~  
22 ~~not complying with this subdivision. Approved waivers shall be~~  
23 ~~valid for six months one year or longer, at the discretion of the~~  
24 ~~director.~~

25 ~~(2) The requirement to file the report of wages pursuant to this~~  
26 ~~subdivision shall not apply to an employer that is required to file~~  
27 ~~electronically pursuant to subdivision (i).~~

28 ~~(g)~~

29 ~~(f) The Franchise Tax Board shall be allowed access to the~~  
30 ~~information filed with the department pursuant to this section.~~

31 ~~(h)~~

32 ~~(g) The requirement in subdivision (a) to file a quarterly return~~  
33 ~~shall begin with the first calendar quarter of the 2011 calendar~~  
34 ~~year.~~

35 ~~(i)~~

36 ~~(h) (1) Effective—Notwithstanding subdivision (e), effective~~  
37 ~~January 1, 2017, except as provided in subdivision (f), 2017, an~~  
38 ~~employer with 10 or more employees shall file the report of~~  
39 ~~contributions, quarterly return, and report of wages electronically.~~

1     (2) ~~Effective~~ *Notwithstanding subdivision (e), effective* January  
2     1, 2018, ~~except as provided in subdivision (f), 2018,~~ all employers  
3     shall file the report of contributions, quarterly return, and report  
4     of wages electronically.

5     (3) Notwithstanding paragraphs (1) and (2), an employer may  
6     request a waiver from the electronic filing requirements of this  
7     subdivision. The department may grant the waiver when the  
8     employer has established to the satisfaction of the director that  
9     there is a lack of automation, a severe economic hardship, a current  
10    exemption from filing electronically for federal purposes, or other  
11    good cause. An approved waiver shall be valid for ~~six months~~ *one*  
12    year or longer, at the discretion of the director.

13    SEC. 2. Section 1110 of the Unemployment Insurance Code  
14    is amended to read:

15    1110. (a) Employer contributions required under Sections 976  
16    and 976.6, the amount of benefits received by any individual  
17    pursuant to this part that is deducted from an award or settlement  
18    made by the employer under the provisions of Section 1382, and,  
19    except as provided by subdivision (b) of this section, worker  
20    contributions required under Section 984 are due and payable on  
21    the first day of the calendar month following the close of each  
22    calendar quarter and shall become delinquent if not paid on or  
23    before the last day of that month.

24    (b) Worker contributions required under Section 984 are due  
25    and payable at the same time and by the same method as amounts  
26    required to be withheld under Section 13020 are paid to the  
27    department pursuant to Section 13021, regardless of the amount  
28    of accumulated unpaid liability for worker contributions.

29    (c) Employer contributions submitted pursuant to Section 976.5  
30    shall be paid on or before the last working day of March of the  
31    calendar year to which the reduced contribution rate would be  
32    applicable. Any employer whose eligibility for an unemployment  
33    insurance contribution rate determination is redetermined to make  
34    that employer eligible to submit voluntary unemployment insurance  
35    contributions in accordance with Section 976.5, may submit a  
36    voluntary unemployment insurance contribution within 30 days  
37    of the date of notification of the redetermination.

38    (d) Except as provided in subdivision (e), any employer  
39    described in Sections 682 and 684 may elect to report and pay  
40    employer contributions required under Sections 976 and 976.6,

1 and worker contributions required under Section 984, annually.  
2 All contributions are due and payable on the first day of January  
3 following the close of the prior calendar year and shall become  
4 delinquent if not paid on or before the last day of that month. An  
5 election under this subdivision shall be effective the first day of  
6 the calendar year in which it is approved by the department. An  
7 election under this subdivision ~~shall~~ *may* not be approved if the  
8 employer has an outstanding return or report delinquency on the  
9 records of the department, or an unpaid amount owed to the  
10 department, that is not the subject of a timely petition for  
11 reassessment pending before the appeals board at the time the  
12 election is filed.

13 (e) An employer described in Sections 682 and 684 who pays  
14 more than twenty thousand dollars (\$20,000) in wages annually,  
15 shall not be entitled to the election allowed in subdivision (d). If  
16 at any time during the year the total wages paid by an employer  
17 electing to file under subdivision (d) exceeds twenty thousand  
18 dollars (\$20,000), the election shall be terminated at the close of  
19 that calendar quarter. In addition to the report of wages due for  
20 that quarter, the employer shall file a return and pay any  
21 contributions due for that portion of the year during which the  
22 election was in effect, and shall pay contributions in accordance  
23 with subdivisions (a), (b), and (c) for the remainder of that year.

24 (f) ~~Except as required in subdivision (g), contributions~~  
25 *Contributions* due pursuant to this section may be submitted by  
26 electronic funds transfer. Contributions submitted by electronic  
27 funds transfer shall be deemed complete in accordance with  
28 paragraph (4) of subdivision (e) of Section 13021.

29 (g) (1) ~~Effective~~ *Notwithstanding subdivision (f), effective on*  
30 *and after* January 1, 2017, an employer with 10 or more employees  
31 shall remit the contributions and withholdings by electronic funds  
32 transfer.

33 (2) ~~Beginning~~ *Notwithstanding subdivision (f), effective on and*  
34 *after* January 1, 2018, all employers shall remit the contributions  
35 and withholdings by electronic funds transfer.

36 (3) Notwithstanding paragraphs (1) and (2), an employer may  
37 request a waiver from the electronic funds transfer requirement of  
38 this subdivision. The department may grant the waiver when the  
39 employer has established to the satisfaction of the director that  
40 there is a lack of automation, a severe economic hardship, a current

1 exemption from filing electronically for federal purposes, or other  
2 good cause. An approved waiver shall be valid for six months or  
3 longer, at the discretion of the director.

4 (h) For purposes of this section, “electronic funds transfer” shall  
5 have the same meaning as in Section 13021.5.

6 SEC. 3. Section 1112 of the Unemployment Insurance Code  
7 is amended to read:

8 1112. (a) Any employer who without good cause fails to pay  
9 any contributions required of him or her or of his or her workers,  
10 except amounts assessed under Article 8 (commencing with Section  
11 1126), within the time required shall pay a penalty of 15 percent  
12 of the amount of those contributions.

13 (b) Any employer required to remit payments electronically  
14 who without good cause remits those amounts by means other than  
15 electronic shall pay a penalty of 15 percent of the amount of those  
16 contributions.

17 (c) *Notwithstanding subdivision (b), on and after January 1,*  
18 *2017, an employer required to remit payments electronically,*  
19 *excluding employers previously required to remit payments by*  
20 *electronic funds transfer under Section 13021, who remits those*  
21 *amounts within the time required by means that are not electronic*  
22 *shall not be subject to the penalty described in subdivision (b).*  
23 *This subdivision shall become inoperative on and after January*  
24 *1, 2019.*

25 ~~(e)~~

26 (d) The changes made to this section by Chapter 28 of the  
27 Statutes of 2014 shall apply on and after July 1, 2014.

28 SEC. 4. Section 1112.1 is added to the Unemployment  
29 Insurance Code, to read:

30 1112.1. (a) *An employer who is required to file a quarterly*  
31 *return electronically pursuant to Section 1088 and without good*  
32 *cause fails to file a quarterly return electronically shall pay a*  
33 *penalty of fifty dollars (\$50), in addition to any other penalties*  
34 *imposed by this code.*

35 (b) *Notwithstanding subdivision (a), on and after January 1,*  
36 *2017, an employer required to file a quarterly return electronically*  
37 *who files a quarterly return within the time required by means that*  
38 *are not electronic shall not be subject to the penalty described in*  
39 *subdivision (a). This subdivision shall become inoperative on and*  
40 *after January 1, 2019.*

1     ~~SEC. 4.~~

2     SEC. 5. Section 1114 of the Unemployment Insurance Code  
3 is amended to read:

4     1114. (a) Any employer who, without good cause, fails to file  
5 within 15 days after service by the director of notice pursuant to  
6 Section 1206 of a specific written demand therefor, a report of  
7 wages of each of his or her workers required by this division, shall  
8 pay in addition to other amounts required, for each unreported  
9 wage item a penalty of twenty dollars (\$20).

10    (b) Any employer required by this division to file a report of  
11 wages of each of his or her workers on magnetic media or other  
12 electronic means as prescribed by subdivision (f) or (i) of Section  
13 1088, who, without good cause, instead files a report of wages by  
14 means other than electronic, shall pay, in addition to other amounts  
15 required, for each wage item a penalty of twenty dollars (\$20).

16    (c) *Notwithstanding subdivision (b), on and after January 1,*  
17 *2017, an employer required to remit payments electronically,*  
18 *excluding employers previously required to remit payments by*  
19 *electronic funds transfer under subdivision (f) of Section 1088,*  
20 *who files a report of wages within the time required by means that*  
21 *are not electronic shall not be subject to the penalty described in*  
22 *subdivision (b). This subdivision shall become inoperative on and*  
23 *after January 1, 2019.*

24    ~~(e)~~

25    (d) The changes made to this section by Chapter 28 of the  
26 Statutes of 2014 shall apply on and after July 1, 2014.

27    SEC. 6. Section 13002 of the Unemployment Insurance Code  
28 is amended to read:

29    13002. The following provisions of this code shall apply to  
30 any amount required to be deducted, reported, and paid to the  
31 department under this division:

32    (a) Sections 301, 305, 306, 310, 311, 312, 317, and 318, relating  
33 to general administrative powers of the department.

34    (b) Sections 403 to 413, inclusive, Section 1336, and Chapter  
35 8 (commencing with Section 1951) of Part 1 of Division 1, relating  
36 to appeals and hearing procedures.

37    (c) Sections 1110.6, 1111, 1111.5, 1112, *1112.1*, 1113, 1113.1,  
38 1114, 1115, 1116, and 1117, relating to the making of returns or  
39 the payment of reported contributions.



1 (d) Article 8 (commencing with Section 1126) of Chapter 4 of  
2 Part 1 of Division 1, relating to assessments.

3 (e) Article 9 (commencing with Section 1176), except Section  
4 1176, of Chapter 4 of Part 1 of Division 1, relating to refunds and  
5 overpayments.

6 (f) Article 10 (commencing with Section 1206) of Chapter 4 of  
7 Part 1 of Division 1, relating to notice.

8 (g) Article 11 (commencing with Section 1221) of Chapter 4  
9 of Part 1 of Division 1, relating to administrative appellate review.

10 (h) Article 12 (commencing with Section 1241) of Chapter 4  
11 of Part 1 of Division 1, relating to judicial review.

12 (i) Chapter 7 (commencing with Section 1701) of Part 1 of  
13 Division 1, relating to collections.

14 (j) Chapter 10 (commencing with Section 2101) of Part 1 of  
15 Division 1, relating to violations.

16 ~~SEC. 5.~~

17 *SEC. 7.* Section 13021 of the Unemployment Insurance Code  
18 is amended to read:

19 13021. (a) Every employer required to withhold any tax under  
20 Section 13020 shall for each calendar quarter, whether or not wages  
21 or payments are paid in the quarter, file a withholding report, a  
22 quarterly return, as described in subdivision (a) of Section 1088,  
23 and a report of wages in a form prescribed by the department, and  
24 pay over the taxes so required to be withheld. The report of wages  
25 shall include individual amounts required to be withheld under  
26 Section 13020 or withheld under Section 13028. Except as provided  
27 in subdivisions (c) and (d), the employer shall file a withholding  
28 report, a quarterly return, as described in subdivision (a) of Section  
29 1088, and a report of wages, and remit the total amount of income  
30 taxes withheld during the calendar quarter on or before the last  
31 day of the month following the close of the calendar quarter.

32 (b) Every employer electing to file a single annual return under  
33 subdivision (d) of Section 1110 shall report and pay any taxes  
34 withheld under Section 13020 on an annual basis within the time  
35 specified in subdivision (d) of Section 1110.

36 (c) (1) Effective January 1, 1995, whenever an employer is  
37 required, for federal income tax purposes, to remit the total amount  
38 of withheld federal income tax in accordance with Section 6302  
39 of the Internal Revenue Code and regulations thereunder, and the  
40 accumulated amount of state income tax withheld is more than

1 five hundred dollars (\$500), the employer shall remit the total  
 2 amount of income tax withheld for state income tax purposes within  
 3 the number of business days as specified for withheld federal  
 4 income taxes by Section 6302 of the Internal Revenue Code, and  
 5 regulations thereunder.

6 (2) Effective January 1, 1996, the five hundred dollar (\$500)  
 7 amount referred to in paragraph (1) shall be adjusted annually as  
 8 follows, based on the annual average rate of interest earned on the  
 9 Pooled Money Investment Account as of June 30 in the prior fiscal  
 10 year:

11	Average Rate of Interest	
12	Greater than or equal to 9 percent:	\$ 75
13	Less than 9 percent, but greater than or equal to	
14	7 percent:	250
15	Less than 7 percent, but greater than or equal to	
16	4 percent:	400
17	Less than 4 percent:	500

18  
 19  
 20 (d) (1) Notwithstanding subdivisions (a) and (c), for calendar  
 21 years beginning on ~~or~~ *and* after January 1, 1995, if in the 12-month  
 22 period ending June 30 of the prior year, the cumulative average  
 23 payment made pursuant to this division or Section 1110 for any  
 24 deposit periods, as described under Section 6302 of the Internal  
 25 Revenue Code and regulations thereunder, was twenty thousand  
 26 dollars (\$20,000) or more, the employer shall remit the total amount  
 27 of income tax withheld within the number of business days as  
 28 specified for *filing* federal income taxes by Section 6302 of the  
 29 Internal Revenue ~~Code~~ *Code, relating to mode or time of collection*,  
 30 and regulations thereunder. For purposes of this subdivision,  
 31 payment shall be made by electronic funds transfer in accordance  
 32 with Section 13021.5, for one calendar year beginning on January  
 33 1. Payment is deemed complete on the date the electronic funds  
 34 transfer is initiated if settlement to the state's demand account  
 35 occurs on or before the business day following the date the transfer  
 36 is initiated. If settlement to the state's demand account does not  
 37 occur on or before the business day following the date the transfer  
 38 is initiated, payment is deemed complete on the date settlement  
 39 occurs. The department shall, on or before October 31 of the prior

1 year, notify all employers required by this paragraph to make  
2 payments by electronic funds transfer of these requirements.

3 (2) Effective January 1, 2017, paragraph (1) shall not apply to  
4 an employer subject to the electronic filing requirements of Section  
5 1088. Effective January 1, 2017, an employer subject to the  
6 electronic filing requirements of Section 1088 shall remit the total  
7 amount of income tax withheld within the number of business days  
8 specified in Section 6302 of the Internal Revenue Code and the  
9 regulations adopted thereunder for filing federal income taxes.  
10 Payment shall be deemed complete on the date the electronic funds  
11 transfer is initiated if settlement to the state's demand account  
12 occurs on or before the business day following the date the transfer  
13 is initiated. If settlement to the state's demand account does not  
14 occur on or before the business day following the date the transfer  
15 is initiated, payment is deemed complete on the date settlement  
16 occurs.

17 (3) Notwithstanding paragraphs (1) and (2), effective January  
18 1, 1995, electronic funds transfer payments that are subject to the  
19 one-day deposit rule, as described by Section 6302 of the Internal  
20 Revenue Code and regulations thereunder, shall be deemed timely  
21 if the payment settles to the state's demand account within three  
22 business days after the date the employer meets the threshold for  
23 the one-day deposit rule.

24 (4) Any taxpayer required to remit payments pursuant to  
25 paragraphs (1) and (2) may request from the department a waiver  
26 of those requirements. The department may grant a waiver only if  
27 it determines that the particular amount paid in excess of twenty  
28 thousand dollars (\$20,000), as stated in paragraph (1) was the result  
29 of an unprecedented occurrence for that employer, and was not  
30 representative of the employer's cumulative average payment in  
31 prior years.

32 (5) A state agency required to remit payments pursuant to  
33 paragraphs (1) and (2) may request a waiver of those requirements  
34 from the department. The department may grant a waiver if it  
35 determines that there will not be a negative impact on the interest  
36 earnings of the General Fund. If there is a negative impact to the  
37 General Fund, the department may grant a waiver if the requesting  
38 state agency follows procedures designated by the department to  
39 mitigate the impact to the General Fund.

1 (e) An employer not required to make payment pursuant to  
2 subdivision (d) may elect to make payment by electronic funds  
3 transfer in accordance with Section 13021.5 under the following  
4 conditions:

5 (1) The election shall be made in a form, and shall contain  
6 information, as prescribed by the director, and shall be subject to  
7 approval by the department.

8 (2) If approved, the election shall be effective on the date  
9 specified in the notification to the employer of approval.

10 (3) The election shall be operative from the date specified in  
11 the notification of approval, and shall continue in effect until  
12 terminated by the employer or the department.

13 (4) Funds remitted by electronic funds transfer pursuant to this  
14 subdivision shall be deemed complete in accordance with  
15 subdivision (d) or as deemed appropriate by the director to  
16 encourage use of this payment method.

17 (f) Notwithstanding Section 1112, interest and penalties shall  
18 not be assessed against an employer that remits at least 95 percent  
19 of the amount required by subdivision (c) or (d) if the failure to  
20 remit the full amount is not willful and any remaining amount due  
21 is paid with the next payment. The director may allow any  
22 employer to submit the amounts due from multiple locations upon  
23 a showing that those submissions are necessary to comply with  
24 subdivision (c) or (d).

25 (g) The department may, if it believes that action is necessary,  
26 require any employer to make the report or return required by this  
27 section and pay to it the tax deducted and withheld at any time, or  
28 from time to time but no less frequently than provided for in  
29 subdivision (a).

30 (h) An employer required to withhold any tax and that is not  
31 required to make payment under subdivision (c) shall remit the  
32 total amount of income tax withheld during each month of each  
33 calendar quarter, on or before the 15th day of the subsequent month  
34 if the income tax withheld for any of the three months or,  
35 cumulatively for two or more months, is three hundred fifty dollars  
36 (\$350) or more.

37 (i) For purposes of subdivisions (a), (c), and (h), payment that  
38 is not required to be made by electronic funds transfer is deemed  
39 complete when it is placed in a properly addressed envelope,

1 bearing the correct postage, and it is deposited in the United States  
2 mail.

3 (j) (1) In addition to the withholding report, quarterly return,  
4 and report of wages described in subdivision (a), each employer  
5 shall file with the director an annual reconciliation return showing  
6 the amount required to be withheld under Section 13020, and any  
7 other information the director shall prescribe. This annual  
8 reconciliation return shall be due on the first day of January  
9 following the close of the prior calendar year and shall become  
10 delinquent if not filed on or before the last day of that month.

11 (2) The requirement to file the annual reconciliation return for  
12 the prior calendar year under this subdivision shall not apply to  
13 the 2012 calendar year and thereafter.

14 (k) The requirement in subdivision (a) to file a quarterly return  
15 shall begin with the first calendar quarter of the 2011 calendar  
16 year.

17 (l) The changes made to this section by Chapter 783 of the  
18 Statutes of 2012 shall apply on and after January 1, 2013.