

SENATE SUBCOMMITTEE HOLDS HEARING ON PAYROLL FRAUD AND MISCLASSIFICATION OF WORKERS

On Tuesday, the Subcommittee on Employment and Workplace Safety of the Senate Committee on Health, Education, Labor and Pensions held a hearing on payroll fraud and intentional misclassification of workers as independent contractors instead of employees. At the hearing, Sen. Robert Casey (D-PA) indicated his intent to introduce the Payroll Fraud Prevention Act, which is expected to mirror legislation introduced in the last Congress as S. 770. It is expected the bill would require notification to workers of their status and the basis for that status as well as other notification provisions. While the legislation does not change the law determining status, it would invite increased litigation on worker status. Sen. Casey also alluded to potential legislation to address tax aspects of worker misclassification. Sen. Johnny Isakson (R-GA), the Subcommittee's Ranking Member, emphasized that changes should not undermine legitimate independent contractors and expressed opposition to any substantial narrowing of the safe harbor provisions of Section 530 of the Revenue Act of 1978. ATA submitted a written statement for the record expressing support for the independent contractor model and arguing against further restrictions or unduly burdensome tests, such as the ABC test. The written statement can be read [here](#). For more information contact Prasad Sharma at psharma@trucking.org.