

**COMMONWEALTH OF PUERTO RICO
LA FORTALEZA
SAN JUAN, PUERTO RICO**

Administrative Bulletin No. OE-1996-76

**EXECUTIVE ORDER OF THE GOVERNOR OF
THE COMMONWEALTH OF PUERTO RICO**

**TO AUTHORIZE THE VOLUNTARY WITHHOLDING OF
FEDERAL INCOME TAX FROM UNEMPLOYMENT
COMPENSATION PURSUANT THE REQUIREMENTS OF THE
FEDERAL UNEMPLOYMENT TAX ACT (FUTA) OF 1994.**

WHEREAS: The United States Congress enacted Public Law No. 103-465 of December 8, 1994, amending the Federal Unemployment Tax Act (FUTA) by adding a redesignated Section 3304 (a)(18) of Title 26 to require that: "Federal individual income tax from unemployment compensation is to be deducted and withheld if an individual receiving such compensation voluntarily requests such deduction and withholding".

WHEREAS: The United States Department of Labor, Employment Training Administration has advised the states of the United States, including Puerto Rico, of the requirements concerning the withholding of Federal Income Tax from Unemployment Compensation (UC).

WHEREAS: The United States Department of Labor, Employment Training Administration has advised the Secretary of Labor and Human Resources of Puerto Rico that the requirements of the aforementioned Public Law No. 103-465 are mandatory and must be implemented by Puerto Rico prior to January 1, 1997.

WHEREAS: The final implementation of such federal requirements must be realized by the enactment of appropriate legislation by the Legislative Assembly of Puerto Rico.

WHEREAS: The Legislative Assembly of Puerto Rico is presently in recess and will not convene again in ordinary session until the second Monday of January, 1997,

pursuant to Article III, Section 10 of the Constitution of Puerto Rico.

WHEREAS: The aforementioned Public Law requires prompt adoption and implementation by Puerto Rico, as well as the 50 states of the Union, prior to January 1, 1997.

WHEREAS: The only available and effective means of implementing said federal requirements is by Executive Order, in accordance with the Constitution and Laws of Puerto Rico and successive prior interpretative rulings of the various Attorneys General of Puerto Rico in Opinion Numbers 1991-25, 1989-35, 1985-10, 1985-5, 1984-31 and 1981-22.

THEREFORE: I, PEDRO ROSSELLO, Governor of Puerto Rico, by virtue of the authority vested in me by the Constitution and laws of the Commonwealth of Puerto Rico and the aforementioned Federal laws, hereby order as follows:

FIRST: The Secretary of Labor and Human Resources of Puerto Rico shall administratively implement the requirements of the Federal Unemployment Tax Act (FUTA), as amended by Public Law No. 103-465, in accordance with the orders of the U.S. Department of Labor, Employment Training Administration, pursuant to the authority delegated to him by this Executive Order.

SECOND: The Secretary of Labor and Human Resources of Puerto Rico has already prepared a proposed legislative bill which will be submitted to the Division of Legislative Affairs of the Office of the Governor.

THIRD: Upon completion of its review, said Division shall submit for enactment at the next ordinary session of the Legislative Assembly of Puerto Rico, the Thirteenth Legislative Assembly, such legislative bill duly implementing the requirements of the aforementioned Public Law No. 103-465.

FOURTH: This Executive Order shall take effect immediately.

IN WITNESS WHEREOF, I sign the present and affix thereto the
Great Seal of the Commonwealth of Puerto Rico, in the City of San
Juan, on this 31 day of December, 1996.



Pedro Rosello
PEDRO ROSSELLO
GOVERNOR

Promulgated according to the law, today 31 day of December, 1996.

[Signature]
Secretary of State