

HOUSE RESEARCH

Bill Summary

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Overview

This bill establishes assumed percentages of income for independent contractors in the motor carrier industry attributable to driving services and subject to child support withholding.

- 1 Independent contractors in motor carrier industry.** Requires that, for income withholding purposes under chapter 518, when an independent contractor: (1) enters into a contract to provide both motor carrier equipment (e.g., truck and trailer) and driving services; and (2) the independent contractor provides the driving services personally; and (3) the contract does not distinguish which part of the payment owed to the independent contractor is for equipment and which part is for services; then it must be assumed that 30 percent of the contract payment is for driving services and is subject to withholding.

Provides that if the independent contractor does not drive the equipment personally, then ten percent of the contract payment is subject to withholding.

Provides that amounts withheld from the independent contractor's income must not exceed the maximum permitted under the Federal Consumer Credit Protection Act (this maximum is 50 percent of "disposable" earnings in most cases).