

# S 2044

Independent Contractor Proper Classification Act of 2007

**Congress:** 110 (2007–2009, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Sep 12, 2007

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Sep 12, 2007)

**Official Text:** <https://www.congress.gov/bill/110th-congress/senate-bill/2044>

## Sponsor

**Name:** Sen. Obama, Barack [D-IL]

**Party:** Democratic • **State:** IL • **Chamber:** Senate

## Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Sep 12, 2007
Sen. Kennedy, Edward M. [D-MA]	D · MA		Sep 12, 2007
Sen. Murray, Patty [D-WA]	D · WA		Sep 12, 2007
Sen. Boxer, Barbara [D-CA]	D · CA		Sep 19, 2007
Sen. Clinton, Hillary Rodham [D-NY]	D · NY		Sep 24, 2007
Sen. Mikulski, Barbara A. [D-MD]	D · MD		Sep 24, 2007

## Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Sep 12, 2007

## Subjects & Policy Tags

**Policy Area:**

Taxation

## Related Bills

No related bills are listed.

Independent Contractor Proper Classification Act of 2007 - Amends the Revenue Act of 1978 to: (1) require employers to treat workers misclassified as independent contractors as employees for employment tax purposes upon a determination of misclassification by the Secretary of the Treasury; (2) repeal the ban on Treasury regulations or revenue rulings on employee/independent contractor classifications; and (3) eliminate the defense of industry practice as a justification for misclassifying workers as independent contractors.

Requires the Secretary to establish a procedure for workers to petition for a determination of their status as employees or independent contractors. Prohibits employers from retaliating against workers filing a petition. Requires the Secretary to take certain actions upon determining that an employee has been misclassified as an independent contractor, including informing the Department of Labor of such misclassification.

Requires the Secretaries of the Treasury and Labor to issue annual reports and exchange information on worker misclassification cases. Directs the Secretary of Labor to: (1) identify and track complaints involving worker misclassification for purposes of enforcing wage and hour laws; and (2) investigate industries identified by the Internal Revenue Service (IRS) as misclassifying workers.

Directs the Secretary of Labor to include on workplace posters required by the Fair Labor Standards Act a notice informing workers of their right to seek a status determination (i.e., whether they are employees or independent contractors) from the IRS.

Requires employers to: (1) notify their independent contractors of their federal tax obligations, the labor and employment protections inapplicable to independent contractors, and their right to seek a status determination from the IRS; and (2) maintain for three years a list of their independent contractors, including names and tax identification numbers.

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### **Actions Timeline**

- **Sep 12, 2007:** Introduced in Senate
- **Sep 12, 2007:** Read twice and referred to the Committee on Finance.