

PART 601—ADMINISTRATIVE PROCEDURE

Subpart A—Approval, Certification and Findings With Respect to State Laws and Plans of Operation for Normal and Additional Tax Credit and Grant Purposes

Sec.

- 601.1 General.
- 601.2 Approval of State unemployment compensation laws.
- 601.3 Findings with respect to State laws and plans of operation.
- 601.4 Certification for tax credit.
- 601.5 Withholding payments and certifications.

Subpart B—Grants, Advances and Audits

- 601.6 Grants for administration of unemployment insurance and employment service.
- 601.7 [Reserved]
- 601.8 Agreement with Postmaster General.
- 601.9 Audits.

AUTHORITY: 5 U.S.C. 301; 26 U.S.C. Chapter 23; 29 U.S.C. 49k; 38 U.S.C. Chapters 41 and 42; 39 U.S.C. 3202(a)(1)(E) and 3202 note; 42 U.S.C. 1302; and Secretary of Labor's Order No. 4-75, 40 FR 18515.

SOURCE: 15 FR 5886, Aug. 31, 1950; 23 FR 1267, Mar. 1, 1958, unless otherwise noted.

Subpart A—Approval, Certification and Findings With Respect to State Laws and Plans of Operation for Normal and Additional Tax Credit and Grant Purposes

§ 601.1 General.

(a) State unemployment compensation laws are approved and certified as provided in section 3304 of the Internal Revenue Code of 1954; findings are made regarding reduced rates permitted by a State law (section 3303(a) of the Internal Revenue Code of 1954) and such laws are certified as provided in section 3303(b) of the Internal Revenue Code of 1954; findings are made regarding the inclusion of specified provisions (section 303(a) of the Social Security Act) in State laws approved under section 3304(a) of the Internal Revenue Code of 1954; findings are made whether the States have accepted the provisions of the Wagner-Peyser Act and whether their plans of oper-

ation for public employment offices comply with the provisions of said Act.

(b) Normal and additional tax credit is given to taxpayers against taxes imposed by section 3301 of the Internal Revenue Code of 1954.

(c) Grants of funds are made to States for administration of their employment security laws if their unemployment compensation laws and their plans of operation for public employment offices meet required conditions of Federal law. (Section 303(a) of the Social Security Act; section 3304(a) of the Internal Revenue Code of 1954; sections 6, 7, and 8 of the Wagner-Peyser Act.)

(d) As used throughout this Part, the terms "Secretary" or "Secretary of Labor" shall refer to the Secretary of Labor, U.S. Department of Labor, or his or her designee.

[15 FR 5886, Aug. 31, 1950; 23 FR 1267, Mar. 1, 1958, as amended at 61 FR 19983, May 3, 1996]

§ 601.2 Approval of State unemployment compensation laws.

States may at their option submit their unemployment compensation laws for approval (section 3304(a) of the Internal Revenue Code of 1954).

(a) *Submission.* The States submit to the Regional Administrator, Employment and Training Administration (RAETA) two copies of the State unemployment compensation law properly certified by an authorized State official to be true and complete, together with a written request for approval.

(b) *Review of State law.* The RAETA reviews the State law and forwards one copy to the central office of the Employment and Training Administration with his comments. The central office reviews the RAETA's comments and analyzes the State law from the standpoint of the requirements of section 3304(a) of the Internal Revenue Code of 1954.

(c) *Approval.* The Secretary of Labor determines whether the State law contains the provisions required by section 3304(a) of the Internal Revenue Code of 1954. If the State law is approved, the Secretary notifies the Governor of the State within 30 days of the submission of such law.

(d) *Certification.* On December 31 of each taxable year the Secretary of