

NAHB Resolution

Title: DOL Enforcement of Misclassification of Employees
Submitted by: Randy Noel

WHEREAS, for decades the members of the National Association of Home Builders (NAHB) have relied on the Internal Revenue Service's 20 factor test for 1099 independent contractors versus W2 employees;

WHEREAS, the consequences of employee misclassification are taxes required from the employer;

WHEREAS, the U.S. Department of Labor (DOL) is tasked with the protection of workers and not tax collection;

WHEREAS, the DOL has recently adopted new guidelines for the classification of employees that are not clear and subjective by an agent of DOL;

WHEREAS, because of this uncertainty, NAHB members are at risk of unnecessary DOL action from the Federal and State governments and may be accused of misclassification;

WHEREAS, NAHB represents 70% of the home building market through small home builders building 10 or less homes a year; and,

WHEREAS, due to the majority of our members being small volume builders and trade contractors, most members utilize independent contractors to build their homes because it is impractical to directly employ the 100 plus workers needed to build a home and the available pool of talent to build new homes is shrinking,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress and the Administration to create clear and discernable guidelines for the use and classification of independent contractors and those same rules be used throughout the Federal and State governments.

Leadership Council Action:	Approved
Resolutions Committee Action:	Recommends Approval
Construction Safety & Health Committee Action:	Recommends Approval
State and Local Government Affairs Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Construction Liability, Risk Management & Building Materials Committee Action:	Recommends Approval
Employment, Labor & Immigration Subcommittee of the Construction Safety & Health Committee Action:	Recommends Approval