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## CLIENT ALERT

### CRIMINAL PENALTIES FOR MISCLASSIFYING INDEPENDENT CONTRACTOR

On July 17, 2007 Governor Corzine signed into law A4009, which imposes criminal penalties (fines and/or jail) for “misclassifying” a construction worker as an “independent contractor” vs. an “employee.” The standard for determining “misclassification” is the three part test used by the New Jersey Department of Labor (NJDOL).

Depending on your “views” the new law is either “good” or “bad.” Attached is the “Statement” to the legislation.

The governors News Release can be read at:  
<http://www.nj.gov/governor/news/news/approved/20070717a.html>

The full eight page law can be read at:  
<http://www.njleg.state.nj.us/>

Once in the New Jersey Legislature web page, under “Bill Search,” type in A4009, then follow all the prompts.

***Disclaimer:** This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation. Any tax information contained in the body of this e-mail was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.*

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