

**DEPARTMENT OF ECONOMIC OPPORTUNITY
Reemployment Assistance Appeals
THE CALDWELL BUILDING
107 EAST MADISON STREET
TALLAHASSEE FL 32399-4143**

PETITIONER:

Employer Account No. - 3002148
IMECA PAYROLL LLC
ATTN BARBARA FLYNN
8200 W SUNRISE BLVD STE A4
PLANTATION FL 33322-5426

RESPONDENT:

State of Florida
DEPARTMENT OF ECONOMIC
OPPORTUNITY
c/o Department of Revenue

**PROTEST OF LIABILITY
DOCKET NO. 2012-106988R**

ORDER

This matter comes before me for final Department Order.

Having fully considered the Special Deputy's Recommended Order and the record of the case and in the absence of any exceptions to the Recommended Order, I adopt the Findings of Fact and Conclusions of Law as set forth therein. A copy of the Recommended Order is attached and incorporated in this Final Order.

In consideration thereof, it is ORDERED that the determination dated September 19, 2012, is AFFIRMED.

JUDICIAL REVIEW

Any request for judicial review must be initiated within 30 days of the date the Order was filed. Judicial review is commenced by filing one copy of a *Notice of Appeal* with the DEPARTMENT OF ECONOMIC OPPORTUNITY at the address shown at the top of this Order and a second copy, with filing fees prescribed by law, with the appropriate District Court of Appeal. It is the responsibility of the party appealing to the Court to prepare a transcript of the record. If no court reporter was at the hearing, the transcript must be prepared from a copy of the Special Deputy's hearing recording, which may be requested from the Office of Appeals.

Cualquier solicitud para revisión judicial debe ser iniciada dentro de los 30 días a partir de la fecha en que la Orden fue registrada. La revisión judicial se comienza al registrar una copia de un *Aviso de Apelación* con la Agencia para la Innovación de la Fuerza Laboral [*DEPARTMENT OF ECONOMIC OPPORTUNITY*] en la dirección que aparece en la parte superior de este *Orden* y una segunda copia, con los honorarios de registro prescritos por la ley, con el Tribunal Distrital de Apelaciones pertinente. Es la responsabilidad de la parte apelando al tribunal la de preparar una transcripción del registro. Si en la audiencia no se encontraba ningún estenógrafo registrado en los tribunales, la transcripción debe ser preparada de una copia de la grabación de la audiencia del Delegado Especial [*Special Deputy*], la cual puede ser solicitada de la Oficina de Apelaciones.

Nenpòt demann pou yon revizyon jiridik fèt pou l kòmanse lan yon peryòd 30 jou apati de dat ke Lòd la te depoze a. Revizyon jiridik la kòmanse avèk depo yon kopi yon *Avi Dapèl* ki voye bay DEPARTMENT OF ECONOMIC OPPORTUNITY lan nan adrès ki parèt pi wo a, lan tèt Lòd sa a e yon dezyèm kopi, avèk frè depo ki preskri pa lalwa, bay Kou Dapèl Distrik apwopriye a. Se responsabilite pati k ap prezante apèl la bay Tribinal la pou l prepare yon kopi dosye a. Si pa te gen yon stenograf lan seyans lan, kopi a fèt pou l prepare apati de kopi anrejistreman seyans lan ke Adjwen Spesyal la te fè a, e ke w ka mande Biwo Dapèl la voye pou ou.

DONE and ORDERED at Tallahassee, Florida, this _____ day of June, 2013.



Altemese Smith,
Bureau Chief,
Reemployment Assistance Program
DEPARTMENT OF ECONOMIC OPPORTUNITY

FILED ON THIS DATE PURSUANT TO § 120.52,
FLORIDA STATUTES, WITH THE DESIGNATED
DEPARTMENT CLERK, RECEIPT OF WHICH IS
HEREBY ACKNOWLEDGED.

Shanendra Y. Barnes

DEPUTY CLERK

DATE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Final Order have been furnished to the persons listed below in the manner described, on the _____ day of June, 2013.

Shanendra Y. Barnes

SHANEDRA Y. BARNES, Special Deputy Clerk
DEPARTMENT OF ECONOMIC
OPPORTUNITY
Reemployment Assistance Appeals
107 EAST MADISON STREET
TALLAHASSEE FL 32399-4143

By U.S. Mail:

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AURELIO PIEDRA
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DEPARTMENT OF REVENUE
ATTN: PATRICIA ELKINS - CCOC #1-4866
5050 WEST TENNESSEE STREET
TALLAHASSEE FL 32399

DEPARTMENT OF REVENUE
ATTN: DIANNE AYERS
PO BOX 6417
TALLAHASSEE FL 32314-6417

State of Florida
DEPARTMENT OF ECONOMIC OPPORTUNITY
c/o Department of Revenue

DEPARTMENT OF ECONOMIC OPPORTUNITY

Reemployment Assistance Appeals

MSC 347 CALDWELL BUILDING

107 EAST MADISON STREET

TALLAHASSEE FL 32399-4143

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PROTEST OF LIABILITY

DOCKET NO. 2012-106988R

RESPONDENT:

State of Florida

DEPARTMENT OF ECONOMIC

OPPORTUNITY

c/o Department of Revenue

RECOMMENDED ORDER OF SPECIAL DEPUTY

TO: Altemese Smith,
Bureau Chief,
Reemployment Assistance Services
DEPARTMENT OF ECONOMIC OPPORTUNITY

This matter comes before the undersigned Special Deputy pursuant to the Petitioner's protest of the Respondent's determination dated September 19, 2012.

After due notice to the parties, a telephone hearing was held on April 1, 2013. The Petitioner, represented by it Certified Public Accountant, appeared and testified. An accountant appeared as a witness. The Respondent, represented by a Department of Revenue Tax Auditor III, appeared and testified.

The record of the case, including the recording of the hearing and any exhibits submitted in evidence, is herewith transmitted. Proposed Findings of Fact and Conclusions of Law were not received.

Issue:

Whether the Petitioner's tax rates were properly computed, pursuant to Section 443.131, Florida Statutes; Rules 73B-10.026; 10.031, Florida Administrative Code.

Whether the Petitioner's liability for reemployment assistance contributions was properly determined pursuant to Sections 443.1215, 1216, 1217; 443.131, Florida Statutes.

Findings of Fact:

1. The Petitioner, Imeca Payroll, LLC is a Florida limited liability company which was formed on January 5, 2011. The Petitioner's managers are Michelangelo Cocchiola and Tony Cocchiola.
2. The Petitioner was formed for the purpose of consolidating the payroll of related companies including Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., T.M.C. Import & Export Company, L.L.C., and

Imeca Pompano, L.L.C. Michelangelo Cocchiola and Tony Cocchiola are the managers of each of the related companies.

3. Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., T.M.C. Import & Export Company, L.L.C., and Imeca Pompano, L.L.C. notified the Department of Revenue in writing that they had discontinued employment effective December 31, 2010.
4. On or about January 25, 2011, the Petitioner submitted an *Application to Collect and/or Report Tax in Florida* to register for payment of unemployment tax to Florida. On the Application the Petitioner identified itself as a new business. As a result the Department of Revenue assigned the unemployment tax rate of .0270, the tax rate that is assigned to all new businesses.
5. The Department of Revenue has a computer program that identifies the social security numbers of employees who are transferred from one employer to another. The computer program identified the employees who were transferred to the Petitioner from Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., and T.M.C. Import & Export Company, L.L.C. Further investigation revealed that the managers of the Petitioner and the managers of Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., and T.M.C. Import & Export Company, L.L.C. were the same.
6. By determination mailed on or before September 21, 2012, the Department of Revenue notified the Petitioner that since it appeared that the Petitioner had acquired the workforce of Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., and T.M.C. Import & Export Company, L.L.C., and since it appeared that there was common ownership, management, or control of the entities, the unemployment experience of Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., and T.M.C. Import & Export Company, L.L.C. were transferred to the Petitioner. The determination informed the Petitioner that as a result of the transfer the Petitioner's tax rate had increased from .0270 to .0540 for the 2011 and 2012 tax years. The Petitioner filed a timely protest by letter dated September 19, 2012.
7. The Department's investigation had failed to discover that the payroll of Imeca Pompano, L.L.C. had also been transferred to the Petitioner. The Petitioner's letter of protest disclosed that the payroll of Imeca Pompano, L.L.C. had also been transferred to the Petitioner. Further investigation revealed that the managers of Imeca Pompano, L.L.C. were the same as the Petitioner.
8. By determination mailed on or before October 2, 2012, the Department of Revenue notified the Petitioner that the unemployment experience attributable to Imeca Pompano, L.L.C. was transferred to the Petitioner resulting in a tax rate change from .05040 to .0529 for 2011 and a tax rate of .0540 for 2012.

Conclusions of Law:

9. Section 443.131(3), Florida Statutes, provides:
 - (g) *Transfer of unemployment experience upon transfer or acquisition of a business.--* Notwithstanding any other provision of law, upon transfer or acquisition of a business, the following conditions apply to the assignment of rates and to transfers of unemployment experience:
 - 1.a. If an employer transfers its trade or business, or a portion thereof, to another employer and, at the time of the transfer, there is any common ownership, management, or control of the two employers, the unemployment experience attributable to the transferred trade or business shall be transferred to the employer to whom the business is so transferred. The

rates of both employers shall be recalculated and made effective as of the beginning of the calendar quarter immediately following the date of the transfer of the trade or business unless the transfer occurred on the first day of a calendar quarter, in which case the rate shall be recalculated as of that date.

10. Section 443.131(3)(g)7.b., Florida Statutes, provides that "trade or business" includes the employer's workforce.
11. Rule 73B-10.031(3), Florida Administrative Code, provides in pertinent part that for the purpose of implementing Section 443.131(3)(g), F.S.:
 - (a) The term "ownership" means any proprietary interest in a business, including, but not limited to, shares of stock in a corporation, partnership interest in a partnership or membership interest in a Limited Liability Company (LLC).
 - (b) "Common ownership" exists when a person has ownership in two or more businesses.
 - (c) A person in "management" includes any officer or director of a corporation, owner of a sole proprietorship, partner in a partnership, manager of an LLC, or person with the ability to direct the activities of an employing unit, either individually or in concert with others.
 - (d) "Common management" exists when a person concurrently occupies management positions in two or more businesses.
 - (e) A person in "control" of a business includes any officer or director of a corporation, owner of a sole proprietorship, partner in a partnership, manager of an LLC, or other person with the ability, directly or indirectly, individually or in concert with others, to influence or direct management, activities or policies of the business through ownership of stock, voting rights, contract, or other means. Control exists when an employee leasing company dictates or specifies the businesses with which a client company must contract.
 - (f) "Common control" exists when a person or group of persons has control of two or more businesses.
 - (g) The phrase "transfer or acquisition" encompasses any and all types of transfers and acquisitions including, but not limited to, assignments, changes in legal identity or form, consolidations, conveyances, mergers, name changes, purchase and sale agreements, reorganizations, stock transfers and successions.
 - (h) The phrase "trade or business or a portion thereof" includes but is not limited to assets, customers, management, organization and workforce.
 - (i) For the purpose of determining issues relating to the transfer of employment records upon transfer or acquisition of a business, the term "person" has the meaning set forth in Section 7701(a)(1) of the Internal Revenue Code.
12. The evidence presented in this case reveals that the Petitioner was formed for the purpose of consolidating the payroll of related companies including Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., T.M.C. Import & Export Company, L.L.C., and Imeca Pompano, L.L.C. The evidence also reveals that Michelangelo Cocchiola and Tony Cocchiola are the managers of each of the entities. Thus, the law requires that the unemployment experience of Imeca II, L.L.C., Imeca Palmetto, L.L.C., Imeca Orlando, L.L.C., Imeca South, L.L.C., Imeca Stirling, L.L.C., Imeca Hialeah, L.L.C., T.M.C. Import & Export Company, L.L.C., and Imeca Pompano, L.L.C. be transferred to the Petitioner.
13. The Petitioner does not contest the transfer of the unemployment experience to the Petitioner. The basis of the Petitioner's protest is that the Petitioner is unsure if the consolidated tax rate has been correctly computed.
14. Rule 73B-10.035(7), Florida Administrative Code, provides that the burden of proof will be on the protesting party to establish by a preponderance of the evidence that the determination was in error.

15. The Petitioner has not submitted any evidence to show that the determination of the Department of Revenue is in error. It has not been shown that the tax rate was computed incorrectly.

Recommendation: It is recommended that the determination dated September 19, 2012, be AFFIRMED.

Respectfully submitted on April 24, 2013.



R. O. SMITH, Special Deputy
Office of Appeals

A party aggrieved by the *Recommended Order* may file written exceptions to the Director at the address shown above within fifteen days of the mailing date of the *Recommended Order*. Any opposing party may file counter exceptions within ten days of the mailing of the original exceptions. A brief in opposition to counter exceptions may be filed within ten days of the mailing of the counter exceptions. Any party initiating such correspondence must send a copy of the correspondence to each party of record and indicate that copies were sent.

Una parte que se vea perjudicada por la *Orden Recomendada* puede registrar excepciones por escrito al Director Designado en la dirección que aparece arriba dentro de quince días a partir de la fecha del envío por correo de la *Orden Recomendada*. Cualquier contraparte puede registrar contra-excepciones dentro de los diez días a partir de la fecha de envío por correo de las excepciones originales. Un sumario en oposición a contra-excepciones puede ser registrado dentro de los diez días a partir de la fecha de envío por correo de las contra-excepciones. Cualquier parte que dé inicio a tal correspondencia debe enviarle una copia de tal correspondencia a cada parte contenida en el registro y señalar que copias fueron remitidas.

Yon pati ke *Lòd Rekòmande* a afekte ka prezante de eksklizyon alekri bay Direktè Adjwen an lan adrès ki parèt anlè a lan yon peryòd kenz jou apati de dat ke *Lòd Rekòmande* a te poste a. Nenpòt pati ki fè opozisyon ka prezante objeksyon a eksklizyon yo lan yon peryòd dis jou apati de lè ke objeksyon a eksklizyon orijinal yo te poste. Yon dosye ki prezante ann opozisyon a objeksyon a eksklizyon yo, ka prezante lan yon peryòd dis jou apati de dat ke objeksyon a eksklizyon yo te poste. Nenpòt pati ki angaje yon korespondans konsa dwe voye yon kopi kourye a bay chak pati ki enplike lan dosye a e endike ke yo te voye kopi yo.

SHANEDRA Y. BARNES, Special Deputy Clerk

Date Mailed:
April 24, 2013

Copies mailed to:

Petitioner
Respondent
Joined Party

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