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State Unemployment Insurance Tax Survey

NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

November 5, 2012

Summary of State Responses Submitted Through June 25, 2012

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ACKNOWLEDGEMENTS

The 2012 State Unemployment Insurance Tax Survey was the product of a collaborative effort among several NASWA staff. This report would not have been possible without hard work and dedication from the following people: NASWA Congressional, Intergovernmental and Public Affairs Director Marc Katz, NASWA Senior Policy Advisor Jim Van Erden, Ph.D, ITSC Staff Assistant Mariann Huggins, NASWA Staff Assistant Tim Griffith and NASWA Consultant Ben Fendler.

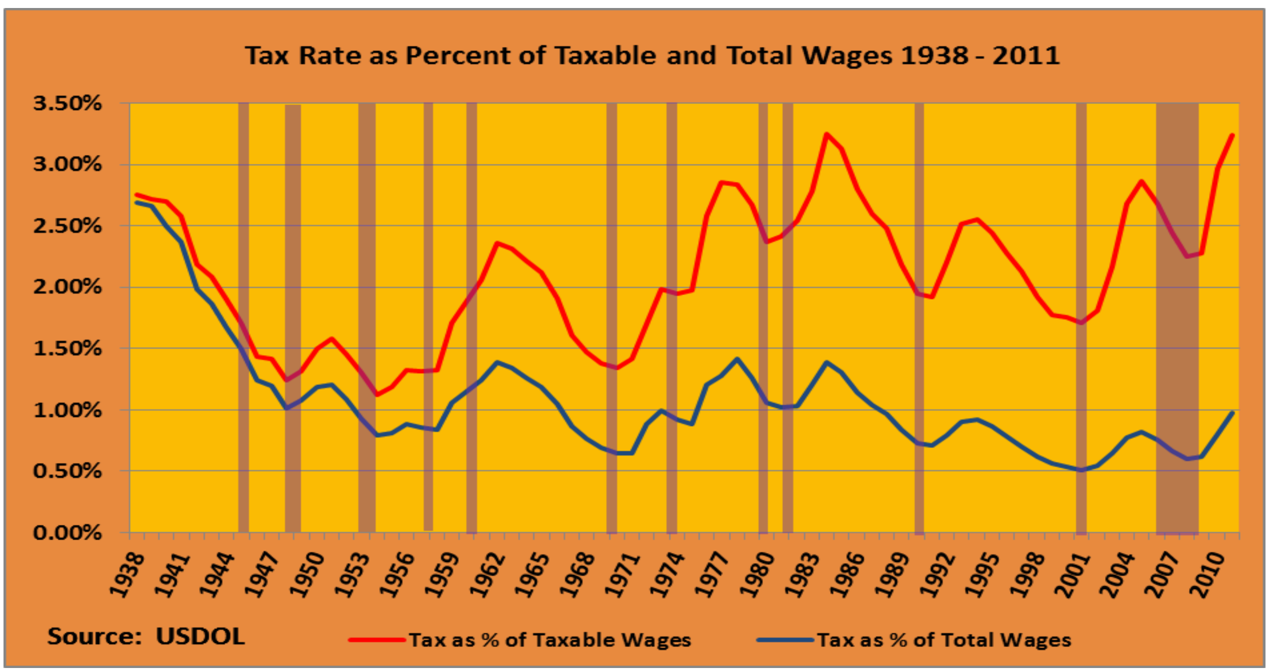
EXECUTIVE SUMMARY

The National Association of State Workforce Agencies (NASWA) recently completed its third annual survey of states on the status of their unemployment insurance (UI) financing systems. Originally intended to determine the amount and type of modifications to state UI tax mechanisms, the survey has evolved over the last three years, continuing to track tax changes but now also tracking changes to weekly benefit payments, duration, eligibility and alternative sources of funding for repayment of Title XII Loans and interest on loan balances.

Overview

1. *Average state tax rate:* **UI tax rates, based on total wages, have continued to follow a generally downward path.** The chart below displays the historical trend of the average state tax rates based on: total wages paid in covered employment and wages paid up to the taxable wage base set in each state's law.

While there has been a steady decrease in the average state tax rate, based on total wages, there has been some slight cyclical variation. The rate on taxable wages shows a more pronounced cyclical component and slightly increasing trend. <u>The increasing gap between the two rates is largely due to total covered wages growing faster than total taxable wages.</u> As relatively fewer wages are subject to the applied tax rate, the rate on taxable wages will tend to increase in order to generate increased revenue to cover UI benefit outlays. Although the data for 2012 are not yet available, projections from the U.S. Department of Labor (USDOL) estimate the effective tax rate will peak this year about <u>a third lower than in pre-1990 recessions</u>.



2. *State UI tax revenue:* **The majority of states surveyed (70 percent) expect their state UI tax revenue to increase in 2012. The estimates of UI tax revenue increases ranged from 1 to 80 percent; with a weighted average[1] state increase of about 10 percent.**

The majority of the estimated increase is due to an increase in covered wages and provisions in existing state law that subject a greater percent of these wages to specific tax rates (*see Question 3, page 8 where most states report increasing tax revenue as a result of higher experience rating factors and automatic or specific increases in the state taxable wage base*). A smaller number of states indicated the revenue increase is due to increases in their tax schedules; in fact, over half of the states indicate they are already at maximum tax schedules, or changes are results of solvency or temporary taxes.

Changes in the average tax rate also occur as states either implement changes to the structure of their UI Tax Systems. For example, changing the maximum or minimum tax rates, adding or reducing the number of tax schedules, adding or eliminating a surcharge or "automatic" changes may occur as a result of existing structural components built into state law. The normal state tax system is designed to have a counter cyclical component and either increases or decreases in revenue over a multiple year period. As this occurs, total wages may be increasing or decreasing based on employment growth and wage inflation.

It is difficult to separate these components as we do not have detailed information on the actual changes occurring in a specific state. But, the survey shows in 2011 and 2012 states are experiencing higher revenue as a result of tax system reactions to the large outlays and drawdowns of reserves during the Great Recession.

The table on the next page estimates the impact on annual revenue based on the increase (or decrease) in wages compared to the changes that occur through tax system adjustments. Through an examination of UI revenue over time, it is possible to provide a relatively simple estimate as to the significance of each of the components.

For example, applying the average tax rate for a specific year to the wages in the following year, it is possible to estimate the change in revenue that occurs as a result of the change in wages, the difference between that amount and the total revenue change is the result of changes in state tax systems. For 2011, the total change in revenue is $12.03 billion, of which the change in wages accounts for about $1.09 billion, the rest, $10.94 billion, is due to structural tax changes. Examining the years from 2000 to 2011 in the table on the next page, it is possible to see the lagged increases in revenue due to the downturn in 2000 and the great recession in 2009-2010.

[1] Weighting based on taxes collected.

Year	Total Wages in covered employment	Contributions Collected	Average Tax Rate on Total Wages	Annual Wage Growth	Product of Annual Wage Growth and Prior Year Tax Rate	Change in Total Contributions	Change Due to Structural Tax Change
2000	3,708,529,343	19896237	0.54%	294896502	1654660	742396	-912264
2001	3,766,345,760	19680158	0.52%	57816417	310185	-216079	526264
2002	3,726,858,424	19687717	0.53%	-39487336	-206332	7559	213891
2003	3,796,303,743	25328292	0.67%	69445319	366856	5640575	5273719
2004	4,012,553,567	31220069	0.78%	216249824	1442782	5891777	4448995
2005	4,231,985,565	34779344	0.82%	219431998	1707312	3559275	1851963
2006	4,513,289,514	34091674	0.76%	281303949	2311815	-687670	-2999485
2007	4,770,245,643	31669894	0.66%	256956129	1940949	-2421780	-4362729
2008	4,824,287,565	30003828	0.62%	54041922	358787	-1666066	-2024853
2009	4,489,861,926	28182054	0.63%	-334425639	-2079903	-1821774	258129
2010	4,592,308,793	35903243	0.78%	102446867	643041	7721189	7078148
2011	4,731,688,926	47928273	1.01%	139380133	1089691	12025030	10935339

3. *UI Financing*: **There has been an increase in the number of states where automatic increases in tax schedules or surtaxes affecting UI taxes have reached their maximum authority provided under state law.** In 2009 approximately 10 states reported that all tax schedules and surtaxes authorized under state law had reached their maximum levels, by 2010 this number had increased to 20 states, in 2011 a total of 21 states reported that all tax schedules and surtaxes authorized under state law reached their maximum levels.

State UI Revenues increase as a result of several changes:

- An increase in experience rating factors applied to employers, as determined under state law;
- Changes in the number of applicable tax rates and/or tax schedules;
- Changes in special solvency or surcharge rates;
- An increase in a state's taxable wage base in states that have a flexible taxable wage base formula;
- A discretionary increase in the state's taxable wage base; and
- An increase in wages in states as a result of a growth in employment and wage rates.

The financing changes above have been consistently observed over the last three NASWA UI Tax surveys. The last three years of survey data show:

- <u>The number of states enacting legislation affecting their UI financing structures has increased from seven in 2009, to 10 in 2010, to 22 in 2011</u>; and

4. *UI Benefit Payments:* **There has been an increasing trend for states to make significant changes in the rules they use to calculate the level and duration of UI benefit payments.** In 2011, 13 states (27.7 percent) enacted legislation addressing UI benefit levels. For 2012, five states enacted legislation to address UI benefit levels.

With respect to changes in state UI benefit levels:

- Two states reduced the maximum number of weeks for UI benefits from 26 to 25 weeks;

- Four states made larger reductions, reducing the maximum number of weeks for UI benefits to 20 weeks and in one case as low as 12 weeks based on the level of unemployment;
- States set fixed maximum and minimum benefit levels and eliminated flexible weekly benefit determination formulas (indexing);
- A few states tightened eligibility requirements, such as raising the ratio of total base period earnings to the highest quarter earnings, and closing benefit eligibility loopholes;
- At least one state delayed payment of benefits for one additional week in a benefit year.
- Two states have maximum benefit levels above 26 weeks.

5. *Alternative State UI Revenue Options to deal with Trust Fund Insolvency:* **The impact of the Great Recession has led to an increasing number of states borrowing funds from the Federal Unemployment Account (FUA) in the federal unemployment trust fund to finance unemployment benefit outlays**. As of October 30, 2012, twenty states owed approximately $27 billion to the federal government at an interest rate of 2.94 percent. With many states exhausting their unemployment trust funds during the Great Recession, the issue of adequately financing the UI system has come into focus for many states.

States have engaged in a variety of actions to repay the principal or pay the interest associated with their loans. The results of this survey show:

- Five states plan to use state UI employer taxes to pay the interest on their outstanding federal loans;
- Twenty states plan to use funds originating from alternative sources, such as state general funds;
- Seven states reported they are considering securing funds from the private markets to repay their loans; and
- Six states have issued bonds to repay their outstanding Title XII Loans since the Great Recession began in 2007.

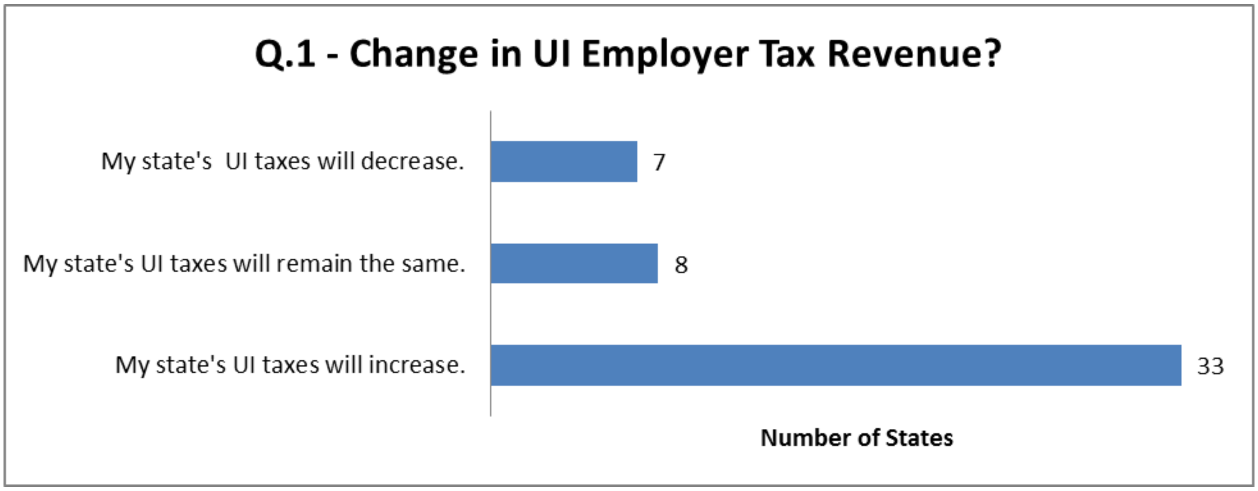
DETAILED RESULTS OF NASWA'S UI TAX SURVEY

QUESTION 1:

Compared to 2011, do you project your state's unemployment insurance tax revenue will increase, decrease, or remain the same in 2012?

The impact of the continued high level of benefit outlays, resulting from the Great Recession, is evident in the response to this question. State financing systems tend to respond to higher benefit payouts on a lagged or delayed basis, a fact displayed by the 68 percent of states who expect their taxes to increase in 2012 as compared to 2011 as Chart 1 below indicates.

Chart 1



QUESTION 2:

By what percent does your state project unemployment tax revenue to increase or decrease in 2012 as compared to state unemployment tax revenue collected in 2011?

State tax rates are determined by specific parameters in each State's law. Some state financing systems respond quickly, others less so. In response to this question, states indicated a wide range of tax increases, including:

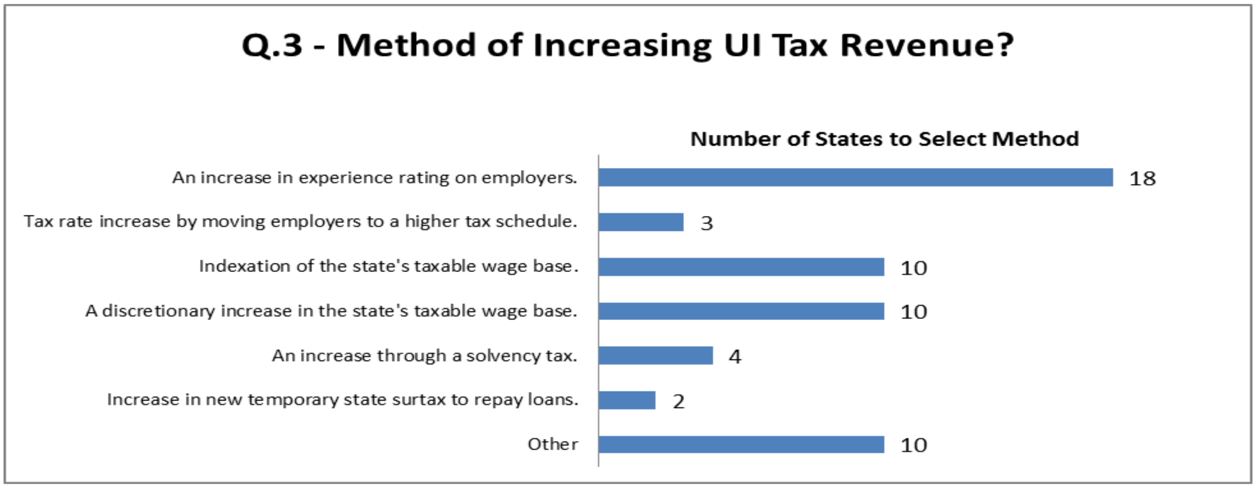
- The estimates of UI tax revenue increases ranged from 1 percent to 80 percent; with a weighted average state increase of 10 percent.
- Estimates of decreased UI tax revenues ranged from 9 percent to 23 percent; with a weighted average state decrease of 10 percent. (To see the approximations of percentage change in state UI tax revenue provided by states please see Table 1 in Appendix One).

QUESTION 3:

If your state's UI tax revenue will increase, please indicate how this will occur by checking the category or categories below. Check as many as are applicable in your state.

State UI financing systems are often complex with a variety of factors that interact with each other to change revenue levels as a result of changes in benefit outlays. This question asked states specific ways they would increase revenue as seen in Chart 2. (States who mentioned other methods different than those provided can be seen in Table 2 in Appendix One).

Chart 2

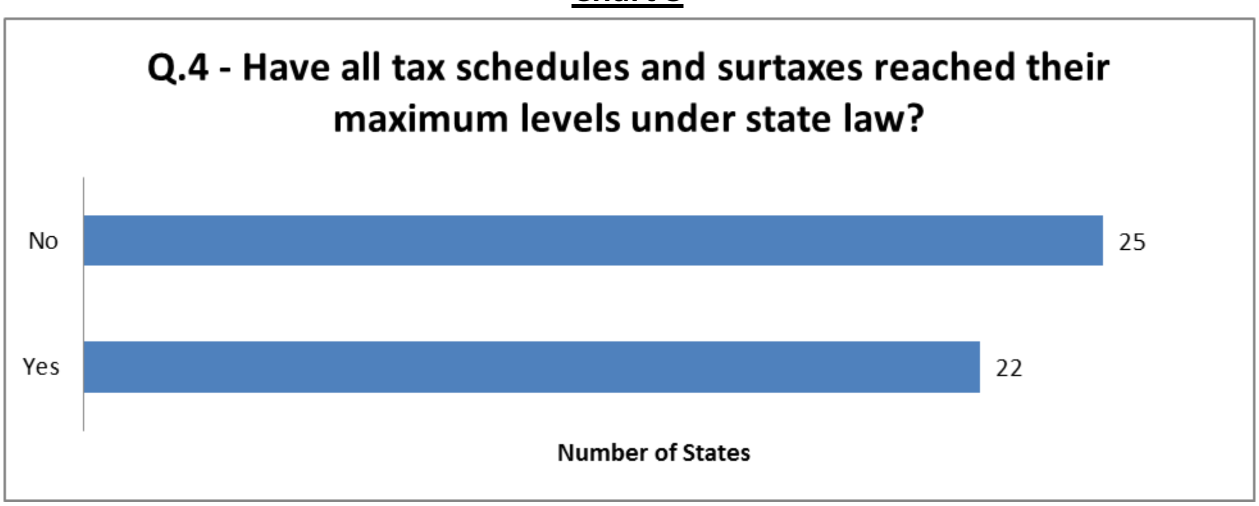


QUESTION 4:

Have all tax schedules and surtaxes reached their maximum levels authorized under state law?

Although States have a great deal of flexibility normally built into their financing systems, when outlays are at historic levels, states may reach their limit to secure adequate inflow of funds.

Chart 3

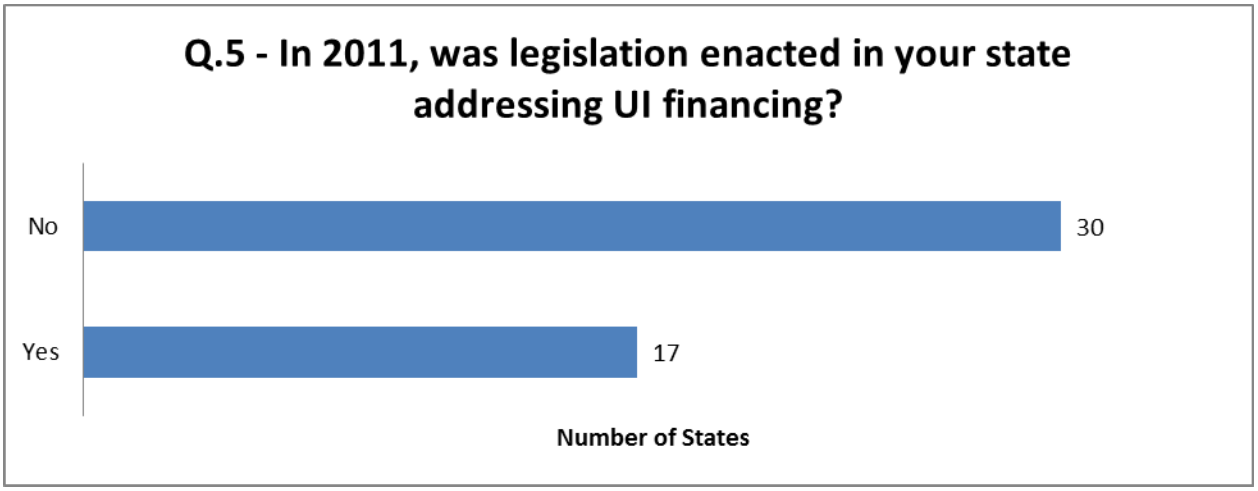


QUESTION 5:

In 2011, was legislation enacted in your state addressing UI financing?

Most States carefully monitor the status of their UI Trust Funds and the inflow of revenue and benefit outlays. During periods of high or low unemployment, it may be necessary to adjust or significantly make changes to state law. However, changes in either component of state law can be a difficult, time consuming process fraught with political issues. In response to this question we found that more than a third of the states enacted legislation as shown in Chart 4. A summary of the results are shown below with specific state changes displayed in Table 3 in Appendix One.

Chart 4

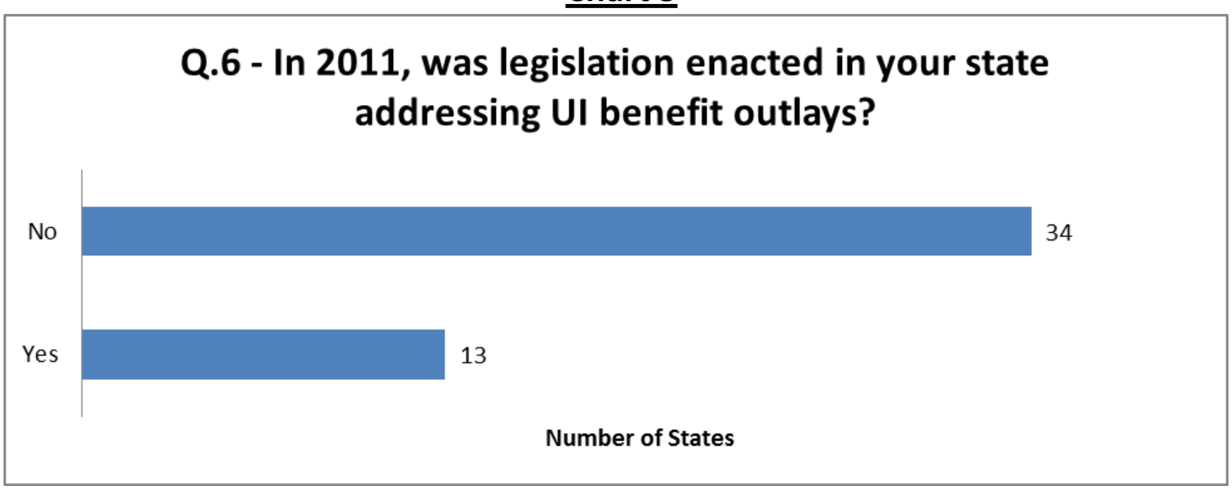


QUESTION 6:

In 2011, was legislation enacted in your state addressing UI benefit outlays?

As states consider how to address solvency in their UI Trust Funds, there has been an increasing focus on the level of benefit payments. Some changes, for example, to reduce the number of weeks of duration have not occurred before. Other changes included adding an additional waiting week. (Please see Table 4 in Appendix One to see specific laws enacted in each state to address UI benefit outlays).

Chart 5

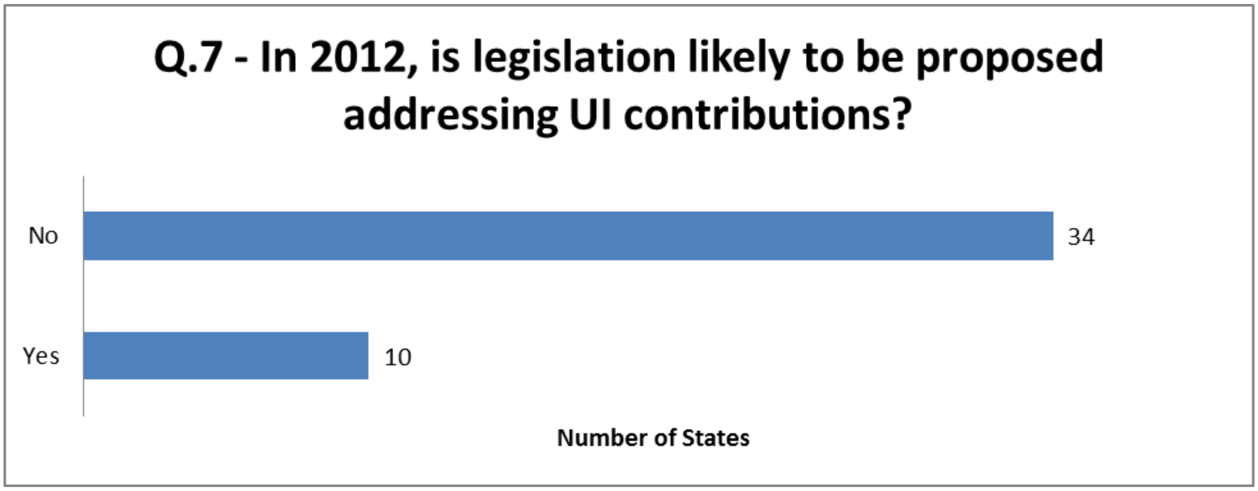


QUESTION 7:

In 2012, is legislation likely to be proposed addressing UI contributions?

In this question we sought to determine proposed legislation in 2012, and the results show that after an active year in 2011, there were a number states considering legislative changes. Chart 6 [2]shows the results of those states responding:

Chart 6

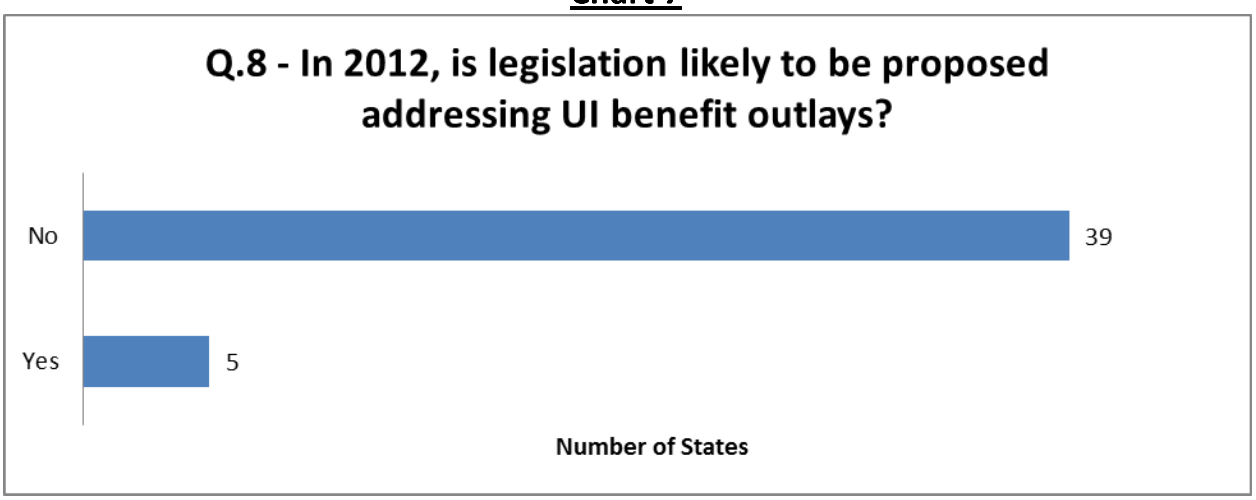


QUESTION 8:

In 2012, is legislation likely to be proposed addressing UI benefit outlays?

The issue of restoring solvency in UI Trust Funds will continue to focus on benefit outlays for a smaller number of states in 2012[3].

Chart 7



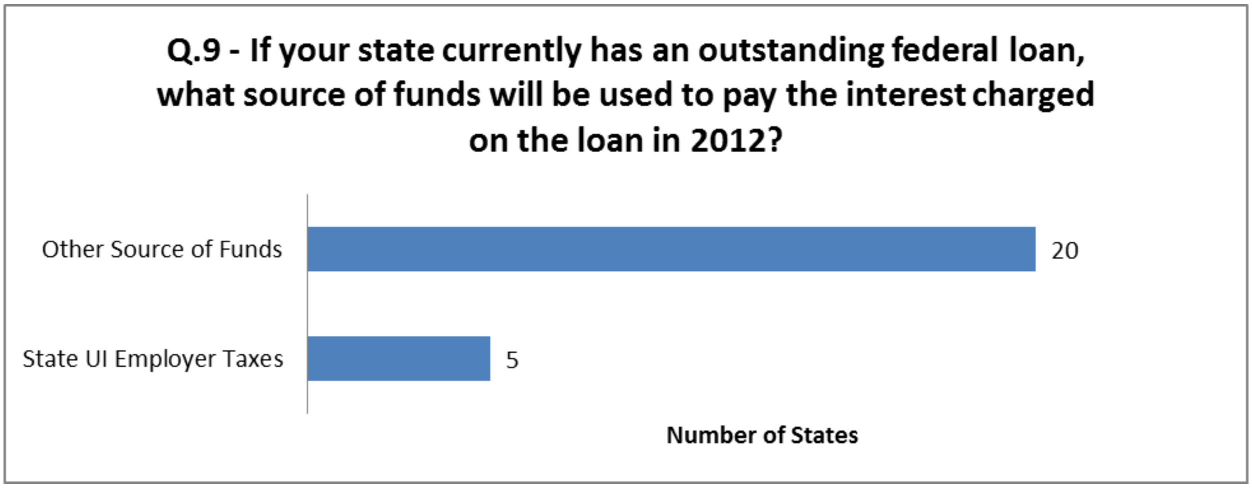
[2] At the time this survey was administered, many state legislatures were still in session. As of November 2, 2012 there were seven states to enact legislation addressing UI contributions.
[3] At the time this survey was administered, many state legislatures were still in session. As of November 2, 2012 five states enacted legislation addressing UI benefit outlays.

QUESTION 9:

If your state currently has an outstanding federal loan, what source of funds will be used to pay the interest charged on the loan in 2012?

As states look to regain solvency, they are looking at a number of alternatives. States may not pay interest from their trust fund accounts, but they can divert state unemployment taxes for other purposes, such as paying interest, before the funds would have to be deposited in the state trust fund account. (Please see Table 7 in Appendix One to view states' planned source of funds to to pay interest on trust fund loans in 2012).

Chart 8

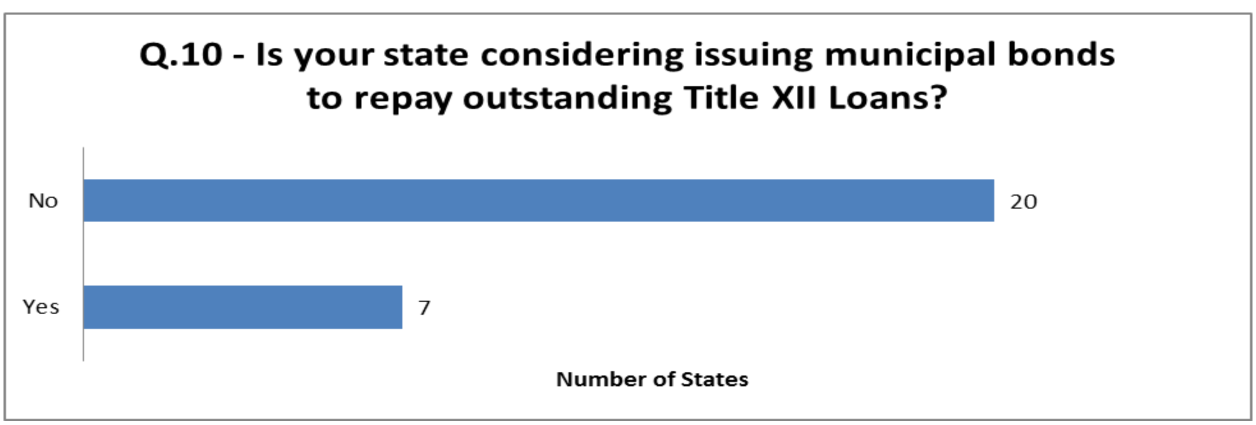


QUESTION 10:

Several states have sought capital from the private market through the issuance of municipal bonds to repay their outstanding Title XII Loans, is your state considering doing so?

Private sources are increasingly being considered by states as a source of full or partial repayment of Title XII Loans. Total outstanding state bond issuance as of July 20, 2012, is more than $7.3 billion combined in Texas, Idaho, Michigan, Colorado, and Illinois. Additionally, several states - Arkansas, Kentucky and Pennsylvania - have enacted legislation in 2011 or 2012 to allow for bonds or other financing options to repay outstanding Title XII debt. (Please see Table 8 in Appendix One for states' responses to the possibility of seeking private capital to repay their outstanding Title XII Loans).

Chart 9



APPENDIX ONE

Table 1[4]

State	Change in UI tax revenue (%)
Alabama	1.0
Alaska	30.0
Arizona	17.6
Arkansas	10.0
California	-8.6
Colorado	21.0
Connecticut	12.0
Delaware	4.0
Florida	28.6
Georgia	12.1
Hawaii	17.0
Idaho	1.0
Illinois	18.2
Indiana	3.0
Kentucky	0.0-10.0
Maine	2.0
Maryland	9.5
Massachusetts	9.4
Michigan	5.6
Minnesota	6.0
Mississippi	1.5
Nebraska	-23.0
New Hampshire	15.0
New Jersey	11.4
New Mexico	10.0
North Dakota	0.9
Ohio	0.0
Oklahoma	80.0
Oregon	6.0
Pennsylvania	2.7
Rhode Island	3.0
South Carolina	10.6
South Carolina	3.0
Tennessee	-2.5
Texas	3.0
Utah	8.0
Vermont	8.1
Virginia	14.2
Washington	-13.0
West Virginia	3.0
Wisconsin	8.8
Wyoming	12.8

[4] States listed are those states that provided estimates of their change in UI tax revenue. States not to provide estimates are: DC, Kansas, Louisiana, Missouri and Montana. (Iowa, North Carolina and New York did not participate in the 2012 UI Tax Survey.).

Table 2

State	State's Method of Increased UI Tax Revenue Response
Alaska	Alaska's state law provides an adjustment to our taxable wage base yearly. It is based on 75 percent of the past year's average total wages, so it can and does change yearly.
Delaware	Growth in employment will generate more tax revenue.
Florida	The factor in the tax rate calculation that raises rates based on the balance of the trust fund was engaged to return the fund to a level of solvency in five years. Wage base increased from $7,000 to $8,000.
Georgia	An Increase in experience rating on employers. An Increase through a solvency tax. Effective January 2012 base rates were adjusted (from +35 percent in 2011) to +50 percent, which increased the first 2012 rates for approximately 65 percent of Georgia employers. Only employers with new employer rates were not affected.
Hawaii	Hawaii's taxable wage base increased from $34,200 in 2011 to $38,800 in 2012. Hawaii's taxable wage base is derived from the prior years' average annual wage calculation rounded to the nearest hundred dollars.
Idaho	The growth in labor force will subject more workers to the UI tax.
Kansas	Tax rates for all rate groups will remain the same. There will be some increase in taxes due to collection of surcharge to pay interest on loan and also perhaps due to increase in employment.
Maine	Maine will remain in the same contribution schedule but rates are adjusted based on the change in the Ratio of Total to Taxable Wages. This is technical not a considered a tax increase. Also contributing to the increase in revenue is the growth of employment as the economy recovers.
Michigan	In addition to the wage base increase, beginning in 2012 Michigan employers are subject to an Obligation Assessment (OA). Revenue from the OA will be used to re-pay bonds that were issued to retire the Title XII debt. The OA revenue is not included in the projection reported in Q #2, because technically it is separate from the UI revenue.
Minnesota	Minnesota's UI Trust Fund replenishment mechanisms are working as statutorily designed. No new legislation has been needed during the recession to achieve this. Minnesota's Trust Fund will be out of deficit in a few months (mid-2012) and will stay out of deficit absent a new recession.
New Hampshire	A one percent surcharge has been added to all tax rates as well as a 1.5 percent increase on all negative rated employers. A discretionary increase in the state's taxable wage base was enacted from $12,000 in 2011 to $14,000 in 2012.
New Mexico	Movement of Schedule from Schedule 1 to Schedule 3 for 2012.
Oregon	The tax schedule for 2012 is unchanged from 2011. Projected economic improvement with higher employment and payroll growth is expected to boost 2012 tax revenue.
Rhode Island	A new temporary 0.3 percent state surtax took effect on January 1, 2011 to pay the interest on federal loans with any excess to be applied to the loan principal. An indexed taxable wage base equal to 46.5 percent of our statewide average annual wage took effect on January 1, 2012. The taxable wage base for employers at the maximum tax rate will be $1,500 higher than the base calculated for all other employers.
South Carolina	While the overall tax revenue of the state will decrease between 2011 and 2012, the tax burden on the state's businesses will increase. In 2011 the state provided general fund appropriations ($146 million) to help keep unemployment taxes down and only about $495 million was collected from businesses for UI benefits and loan repayments. In 2012, to date, the agency has not received any state general funds so the full $572.5 million will be collected from state businesses. State funds were appropriated to help repay outstanding federal advances and keep business taxes from spiking as high as they were initially projected to go.

Table 3[5]

State	Legislation Enacted to Address UI Financing in 2011
Alabama	*AL H305* - Relates to the Employment Security Enhancement Fund; extends the expiration date of the special assessment, provides that funds shall be expended to supplement basic employment security services with special job search and job placement assistance.
Arizona	*AZ H2619* - Legislation imposes a special assessment on employers in the form of surtax in each of calendar years 2011 and 2012. The revenues collected under the tax will be used to finance the interest and principal payments associated with the State's outstanding Title XII debt. The rate was set at four-tenths of a percent for 2011 and is set at five-tenths of a percent for 2012.
Colorado	*CO H1288* - Increases chargeable wages (taxable wage base) from $10,000 to $11,000 as of January 1, 2012. For the 2012 calendar year, the incremental increase in the solvency surcharge will be applied and that incremental increase will be subtracted from the employer's rate. Once the unemployment trust fund regains solvency and all federal advances are repaid, which is estimated to occur in 2013, there are several changes set to occur: The chargeable wages will be the $11,000 base adjusted by the change in the average weekly earnings in Colorado. Employers' experience rates increase and the reserve ratio in the trust fund for the percent-of-excess table is modified to be a proportion of the total wages reported by experience-rated employers rather than a dollar amount. The solvency surcharge will be a flat rate based on the employer's percent of excess and added to the employer's premium rate.
Florida	The tax rate calculation reduced by 10 percent of the benefit charges used in all rated employers' benefit experience.
Georgia	*GA H292* - Relates to employment security, extends certain employer contribution rates and credits, changes provisions relating to benefit experience, continues provisions relating to administrative assessments, extends the provision relating to automatic repeal, extends suspension of adjustments based upon the State-wide Reserve Ratio for the calendar year 2012, provides for an increase in the overall rate of up to 50 percent, as of the computation date, for each experience rated employer.
Hawaii	*HI H1077* - Provides for payment of interest due on Title XII Loans from the Employment and Training (E&T) Fund, authorizes the Department of Labor and Industrial Relations director to increase the E&T assessment rate in increments 0.01 per cent retroactive to January 1, 2011.
Idaho	*ID H108* - Allows for the Department to issue bonds for debit repayment and the formula was adjusted to increase Idaho's trust fund balance.
Illinois	*PL 097-0001 (HB 1030)* - Allows for a one-time set-aside of $90 million from employer-paid UI taxes to ensure the state would be able to cover the interest liability on federal loans that came due on 9/30/11. Ultimately, $71 million was needed to cover the interest payment, with the remaining balance of the set-aside reverting to the unemployment trust fund. *PL 097-0621 (SB 72)* – Bill is intended to return the Illinois unemployment trust fund to solvency over the next 8 years while allowing IDES to refinance existing debt via amended bonding authority. Several provisions were also included to improve the integrity of UI payments. The issuance of bonds will allow Illinois employers to avoid federal penalty taxes associated with continued federal borrowing and facilitate the pay down of the existing debt more proportionally to each individual employer's utilization of the UI system during the Great Recession and beyond.
Indiana	*HEA1450* - Fixes schedule E for employers until 2020. Spreads out employer premium rates from 0.50 to 7.4 percent. Increased taxable wage base by $2,500. Created employer premium surcharge to pay interest on federal loan.
Kansas	*SB77* (Extension of HB2676) – Provides reduced rates for positive balance employers in rate groups 1 through 32 (impacting 36,800 employers and providing $75.8 million in tax relief for 2011). Increases the number of negative balance employer rate groups from 10 to 20 and increasing the maximum surcharge from 2.0 percent to 4.0 percent, therefore increasing yield from negative balance employers (raising additional $8.5 million annually). Establishes an Employer Security Interest Assessment Fund. Reinstates a Waiting Week (saving trust fund $11.5 million annually) Eliminates Benefits for Trailing Spouses - except for armed forces (saving trust fund $1.9 million annually.)

[5] Information provided in Table 3 includes data from the National Conference of State Legislatures' (NCSL) Unemployment Legislation Database as well as survey responses from NASWA members.

Louisiana	*LA S121* - Provides that benefits shall not be charged against the experience rating of a claimant's base period employer if benefits are paid in a situation in which the unemployment is caused solely by an act or omission of any third party or parties, or solely by such act or omission in combination with an act of God or an act of war; provides that the determination of the responsibility of any third party or parties shall be as determined by the federal Oil Pollution Act.
Michigan	*Public Act 267 of 2011* - Authorizes the issuance of bonds (Obligation Assessments), notes, or other financial instruments; to create funds and accounts; to prescribe the powers and duties of the authority, the state treasurer, and certain other state officials and state employees; and to make appropriations and prescribe certain conditions for the appropriations. *Public Act 268 of 2011* - States that each year in which any obligation is outstanding, an employer is subject to, will be assessed, and must pay an unemployment obligation assessment, which shall be collected quarterly and deposited to the credit of the obligation trust fund. The obligation assessment is in addition to the employer's required state unemployment taxes. *Public Act 269 of 2011* - Rate schedules for becoming fully experienced change gradually from 5 years to 3. The look-back period for the Chargeable Benefits Component (benefits paid and taxable wages) changes from 60-months, to 48 months in 2012 and finally 36 months in 2013 and thereafter.
Mississippi	Increased taxable wage base.
Nevada	*NV A484* - Makes appropriations to the Interim Finance Committee for allocation to the State Treasurer for interest payments due the Federal Government for the loan that was made available to the State upon depletion of Nevada's Unemployment Compensation Fund.
New Jersey	*NJ S1813* - Reduces the unemployment insurance tax rates which would be imposed on employers during fiscal year 2011 by setting them based on a specified tax table in existing law, reduces the tax burden on employers by providing that the C schedule will stay in effect throughout fiscal year 2011. *NJ A 3819* - Modifies employer Unemployment Insurance tax rates based on the experience rating of the employer.
North Carolina	*NC S99* - Expedites the analysis of the tax structure for unemployment insurance in the state given the substantial negative balance in the state's unemployment insurance trust fund and the substantial federal loan balance owed by the state for payment of unemployment insurance benefits, provides that the Department of Commerce shall contract with an independent consulting firm specializing in unemployment insurance and employment security reform to obtain recommendations on tax structure changes.
Oregon	*OR S984* - Authorizes Director of the Employment Department to redetermine benefit cost rate, account reserve ratio and percentage rate at any time upon written request of political subdivision, allows political subdivision to request extended plan of additional payments in specified circumstances, provides that extended plan of additional payments may not exceed a specified period of consecutive calendar quarters.
Pennsylvania	*PA S1030* - Provides for relief to employers from charges for compensation and for establishment and maintenance of employer's reserve accounts, provides for automatic relief from charges, provides qualifications for secure compensation, appeals, for rate and amount of compensation and rules of procedure, provides for shared-work program and for applicability, provides for a credit week, severance pay, payments in lieu of compensation, natural disasters and willful misconduct.
South Dakota	*SD 64* - Provides that interest paid on negative balances in employers' unemployment experience rating accounts shall be credited to their experience rating accounts. *SD S86* - Revises the employer's investment in South Dakota's future fee rate in conjunction with the payment of unemployment compensation contributions. *SD S125* - Revises the time period for computing unemployment insurance employer contribution rates, relates to the employer's reserve ratio, and relates to investment fee proceeds.

Utah	In Utah, we saw such significant increases in tax rates in 2011 that it was decided that we could slow the 2012 tax revenues without jeopardizing the solvency of the trust fund. We rolled back the social cost rate (minimum tax rate) from 0.005 to 0.004 in 2012. We also reduced the maximum tax rate (permanently) from 9 percent plus the social cost rate to 7 percent plus the social cost rate. Even with these tax relief measures it is anticipated our 2012 tax rate receipts should be 8 percent higher than 2011.
Washington	*EHB 1091* -Establishes a permanent cap on the flat social tax rate and reduced the amount of social tax that rate classes 1-20 pay.
West Virginia	*WV S219* **-** Provides a mechanism for the Governor to borrow $20 million from a state account if the UI Trust Fund reached a certain low level. The fund never reached that threshold so it was not necessary to obtain the loan.

Table 4[6]

State	Legislation Enacted to Address UI Benefit Outlays in 2011
Arkansas	*AR S593* – Establishes maximum number of weeks of regular benefits reduced from 26 to 25. Enacted in 2011, but effective July 1, 2012, maximum weekly benefit amount reduced from $457 to $451 and minimum weekly benefit amount reduced from $82 to $81. Yearly benefit indexing based on average weekly wage eliminated, thereby freezing the maximum and minimum weekly benefit amounts at these levels. Restricts claimant eligibility.
Florida	The maximum benefits available on a claim filed during a calendar year were calibrated to the average rate of unemployment during the third calendar quarter of the preceding year. When the average rate of unemployment is 5 percent or less the MBA is 12 weeks. For each 0.5 percent increase in the unemployment rate the MBA increases by one week to a maximum of 23 weeks when the average rate of unemployment is 10.5 percent or higher. Consequently, during periods of high unemployment a maximum claim was reduced from $7,150 to $6,325.
Georgia	H.B. 500 Permitted Georgia to use the 3-year look-back for the establishment of eligibility of State Extended Benefits.
Hawaii	There was no legislation enacted in 2011. However, Act 2 in 2010 mandated the Maximum Weekly Benefit Amount for 2011 at 75 percent ($549) instead of 70 percent ($512) of the average weekly wages.
Idaho	*ID H80* - Allows corporations to exempt corporate officers from unemployment insurance coverage. *ID H122* - Revises the ratios of total base period earnings to the highest quarter earnings.
Illinois	*IL H1030* - Includes a temporary reduction in the number of weeks that can be collected under the State regular benefit program, from 26 to 25, effective only for benefit years that begin during CY 2012.
Indiana	*HEA1450* - Closes benefit eligibility loopholes and modified weekly benefit amount calculation to use annual earnings instead of one high quarter.
Kansas	*HB 2135* - Revises the procedures used to determine if employees have been misclassified as independent contractors. The Secretary of the Department of Labor, or the Secretary's designee, would have the responsibility to make all determinations regarding the classification of a worker as being an employee or an independent contractor. Penalty provisions would be revised to provide for second and subsequent violations. For a second violation, a person who misclassifies an individual would be subject to the civil penalty that currently is specified in statute and would become subject to a class C nonperson misdemeanor. For subsequent violations, the person would be subject to the civil penalty and a level 10, nonperson felony. (Note that the senate version of the bill makes this a class A nonperson misdemeanor.)
Kentucky	*KY H339* - Prevents a worker from receiving unemployment benefits in successive benefit years unless the worker has returned to work and earned 5 times his weekly benefit rate received in the prior benefit year.
Maine	*ME H222* - Creates an unemployment insurance work-sharing program that provides an alternative to layoffs during a temporary slowdown in business.
Maryland	In order to qualify for UI Modernization funds under the American Recovery and Reinvestment Act, Maryland enacted the alternate base period provision, ABP, on April 1, 2011, amended existing UI law regarding the eligibility of part-time workers for benefits, and provided a training benefit to unemployed individuals.
Michigan	*Public Act 14 of 2011* – Reduces the duration of Benefit weeks from 26 weeks to 20 weeks effective January 15, 2012.
Missouri	*MO H163* - Specifies that a claimant is ineligible for waiting week benefits for any week that he or she has an outstanding penalty which was assessed based upon an overpayment of benefits, reduces the maximum duration of benefits payable to any insured worker during any benefit year from 26 weeks to 20 weeks.

[6] Information provided in Table 4 includes data from the National Conference of State Legislatures' (NCSL) Unemployment Legislation Database as well as survey responses from NASWA members.

Montana	*MT S342* - Defines misconduct with respect to unemployment insurance benefits; provides that misconduct includes willful disregard of employee or employer rights and certain carelessness or negligence and does not include inefficiency, unsatisfactory conduct, or failure to perform well as the result of inability or incapacity or good faith errors in judgment or discretion.
New Hampshire	*NH H26* - Provides that if an unemployed individual has been discharged for a single theft or multiple thefts in the aggregate of an amount greater than $100 but less than $250 where such conduct is connected with his or her work, the individual shall be disqualified for benefits, provides that such disqualification shall continue until a period of not less than 4 weeks nor more than 26 weeks from the date of discharge has passed and until such individual has earned wages.
New Mexico	Reduced the benefit percent that is used to calculate the weekly benefit amount.
Oregon	No long-term or ongoing benefit changes were enacted in 2011. A short-term, capped state-funded emergency program provided some benefits to eligible claimants. It was in effect one quarter of 2011.
Rhode Island	Maximum weekly benefit amount frozen at July 1, 2011 level until 57.5 percent of the statewide average annual wage exceeds the July 1, 2011 figure. Percentage was 67 percent prior to change. Weekly Benefit Amount (WBA) percentage reduced from 60 percent of Average Weekly Wage (AWW) to 57 percent of AWW on 7/1/12; to 54 percent of AWW on 7/1/13; and to 50 percent of AWW on 7/1/14. WBA will be based on 2 Highest Quarters in the base period instead of the Highest Quarter. Maximum benefits reduced from 36 percent of base period wages to 33 percent effective July 1, 2012. UI Eligibility delayed by weeks of severance pay received (for up to 26 weeks). Earnings requirement to purge a disqualification for Voluntary Quit, a Discharge for Misconduct or a Refusal of Suitable Work increased from 8 weeks of work at 20 times the minimum hourly wage in each week to 8 weeks of work with earnings greater than or equal to the WBA in each week. All of these changes apply to new claims filed on or after July 1, 2012.
South Carolina	In 2011 the number of weeks of state funded benefits was reduced from 26 to 20.
Tennessee	*TN H123* - Excludes certain persons who provide certain services for an educational institution or its students from eligibility for unemployment compensation. *TN H884* - Relates to unemployment compensation, provides that when the department of labor and workforce development conducts unemployment hearings, personnel records and other business records in the possession of a claimant's employer that are relevant to a claim shall be admissible and may constitute evidence of misconduct, regardless of whether such evidence is hearsay or whether corroborated by direct witness testimony, if accompanied by an affidavit.
Texas	*TX H14* - Provides that an individual is disqualified for unemployment benefits for a benefit period for which the individual is receiving or has received remuneration in the form of severance pay, defines severance pay as dismissal or separation income paid on termination of employment in addition to the employee's usual earnings from the employer at the time of termination.
Virginia	*VA H2357* - Provides for a reduction of benefit amount by the amount of a pension, relates to a Social Security offset; provides that in consideration of an employee's contributions thereto, the weekly benefit amount payable to an individual for any week shall not be reduced by any amount of Social Security Act or Railroad Retirement Act retirement benefits received by such individual and attributable to such week.
Washington	*EHB 1091* - Provided a temporary $25 increase on top of the weekly benefit amount for new claims between March and November of 2011. The total amount of the temporary benefit increase was capped at $68 million. Corresponding increases were made to the maximum amount of regular benefits payable (maximum duration), the maximum amount payable weekly, and the minimum amount payable weekly.
Wisconsin	In 2011, a law was enacted requiring a one-week waiting period to receive benefits. This law became effective January 1, 2012. This change will not have a significant effect on fund solvency.

Table 5

State	Likely Legislation to Address UI contributions in 2012
California	Unknown, at this time.
Connecticut	We are proposing an increase in the fund solvency goal beginning in 2013. Currently the solvency goal is computed at 0.8 percent of total wages paid in covered employment. We propose a change to the Average High Cost Multiple - to be phased in over a period of six years beginning with an AHCM of 0.5 in 2013 and increasing by 0.1 per year from 2014 through 2018 where the solvency goal will be an AHCM of 1.0.
Florida	Taxable payroll was reduced from $8,500 to $8,000 retroactively to 1/1/2012. The formula for determining the tax rate adjustment factor designed to recover trust fund solvency was changed to extend the recovery period from 3 years to 5 years. Benefit non-charging was authorized for employers who are forced to terminate workers as a direct result of an oil spill terrorist act, to other similar disaster of national significance.
Georgia	H.B. 347 increased the taxable wage base from $8,500 to $9,500, and authorized the Commissioner to impose tax rate adjustments up to 50 percent for 2013 and future years.
Hawaii	Act 6 which was signed into law by Governor Abercrombie on March 9, 2012 amended Section 383-68, HRS to set the contribution rate schedule for calendar year 2012 at Schedule F. Without Act 6 the contribution rate would have been set at Schedule H.
Kentucky	Surcharge
New Jersey	Legislation will be introduced to increase the UI rate and bands for employers who have a negative reserve ratio of -50.00 percent or higher. The increase in rates will impact those employers who have chronic and excessive UI benefit charges.
New Mexico	Movement of Schedule 3 to Schedule 1 for 2012.
South Carolina	The state is currently considering whether to provide any additional appropriations to make additional loan repayments and/or help lower unemployment taxes.
Wisconsin	A law was recently passed to expand the use of the Treasury Offset Program to include non-fraud benefit overpayments due to misrepresentation of wages. This change will not have a significant effect on fund solvency.

Table 6

State	Likely Legislation to Address UI Benefit Outlays in 2012
Georgia	H.B. 347 decreased the maximum number of benefits weeks from 26 to a range of 14-20 weeks based upon a designated unemployment rate.
Hawaii	Act 6 which was signed into law by Governor Abercrombie on March 9, 2012 amended Section 383-22, HRS, which increased the maximum weekly benefit amount from 70 percent to 75 percent of the state's average weekly wage, from $523 to $560, effective April 1, 2012 through December 31, 2012.
South Carolina	The legislation currently pending would change the disqualification parameters for being fired for misconduct to a full 20-week disqualification and a mandatory and corresponding reduction in the maximum benefit amount.
Utah	Utah has made several Administrative rule changes recently that tighten up eligibility requirements of claimants, including increasing the required work searches per week from 2 to 4 along with documenting them each week. We have also redefined suitable work that requires claimants to be less selective on accepting new offers of work. We have also tripled Eligibility reviews, required claimants to complete more re-employment workshops, and meet with more Employment Counselors.
Virginia	Scheduled increase in minimum weekly benefit amount and earnings requirement was postponed until 2014.
West Virginia	We did pass legislation in this session to institute the provisions of the TAAEA by imposition of a 20 percent penalty on fraudulent overpayments established after July 1, 2012 and provisions to not relieve employers of benefit charges when collecting overpayments caused by the employer’s failure to provide adequate/timely separation information when adjudicating benefit claims.
Wisconsin	A number of law changes were passed and will be implemented in 2012, including: - Assessment of penalties which increase in severity based on number of occurrences for concealment of wages - Ineligibility for benefits for failure to perform work searches - Changes in eligibility for benefits - partial unemployment -Changes in definition of full time work from 40 hours to 32 hours for purposes of eligibility for benefits. These changes will not have a significant effect on fund solvency.

Table 7

State	Source of Funds to Pay Interest on Title XII Loans in 2012
Alabama	Created a Special Interest Fund.
Arizona	Temporary special assessment on employer's.
Arkansas	Arkansas has an Advance Interest Tax that triggers on the quarter following the first quarter in which there is an interest bearing Title XII advance. The tax is 0.2 percent added to the regular UI tax rate and applied to our taxable wage base of $12,000. The tax triggers off once the Title XII advances are returned and the Advance Interest Fund reaches a balance of $5M.
California	The EDD currently has a Budget Change Proposal under legislative review to pay the interest payment on California's outstanding federal loan. The payment will be made from the State General Fund.
Colorado	For 2011, experience rated employers were assessed an annual interest charge to pay back interest on borrowed money from the federal government to pay unemployment benefits.
Connecticut	Interest costs will be collected through an annual Special Assessment levied against the state's contributory employers.
Delaware	DE UI Law has a provision for a "Temporary Emergency Employer Assessment" to generate funds to pay interest due on UI Trust Fund loans. However, state funds were appropriated to pay interest due Sept 2011. A similar scenario has not been ruled out for interest due Sept 2012.
Florida	Special assessment on contributing employers calculated in the manner prescribed by law each year that interest will be due.
Georgia	The state will use the following two fund sources to pay interest: Administrative Assessment and State General Revenue.
Hawaii	State projections show that Hawaii will not carry a loan balance after September of 2012.
Illinois	IDES is planning a summer 2012 bond issue to repay loans owed by the unemployment insurance program. 2012 federal interest will be paid from bond proceeds.
Indiana	A separate employer premium surcharge was created to pay the interest.
Kansas	In 2011 legislation was enacted to collect surcharge from negative balance employers to help pay the interest bill on Title XII Loans.
Kentucky	Bonds to pay interest
Michigan	Michigan bonded in December 2011 and employers were assessed an Obligation Assessment to cover the principle and interest liability.
Minnesota	Minnesota has an existing UI law provision that provides for a special assessment on covered taxpaying employers to pay the interest on federal loans, which special assessment funds are placed in a special account to pay interest accrued on any loan from the federal unemployment trust fund. This is set out in Minnesota Statute, Section 268.051 Subd. 8
Missouri	Special interest assessment surcharge
Nevada	An appropriation was made in 2011 from the state general fund to cover interest payments in 2011 and 2012.
New Jersey	Special Assessment - New Jersey will be mailing the employers a Federal Loan Interest (FLINT) Assessment during the month of May. The FLINT assessment will be for the employers' portion of the interest due per N.J.S.A. 43:21-14.3.
Ohio	Ohio does not currently have legislation in the works to address the payment of interest and the source of funds to be used to pay interest in 2012 is currently unknown. 2011 interest was paid using non-UC funds.
Pennsylvania	Interest tax of 0.2 percent
Rhode Island	A new temporary 0.3 percent state surtax took effect on January 1, 2011 to pay the interest on federal loans with any excess to be applied to the loan principal.
South Carolina	The state has in place a special surtax to fund interest payments while the state has an outstanding loan.
Vermont	State General Fund.

Virginia	Penalty and interest funds.
Wisconsin	Under Wisconsin law, when the state is borrowing, employers are subject to a special assessment for interest sufficient to pay interest due on advances from the federal unemployment account.

Table 8[7]

State	Considering borrowing from private sector to repay Title XII Loans
California	Not at this time.
Colorado	Bonding is being considered for repayment of Title XII Loans.
Connecticut	We are engaged in conversations with the state Treasurer's Office regarding potential alternative borrowing mechanisms, including bonding.
Illinois	As stated in response to Question 5, IDES has selected the book-runners and is planning on a summer 2012 bond issue to fully repay our Title XII Loans.
Michigan	Pursuant to Public Acts 267 & 268 of 2011, Michigan bonded in December 2011 to repay all of its Title XII Loans and interest liability. Additional Title XII Loans obtained in 2012 will be re-paid during the year.
Minnesota	No, as noted we will be out of deficit in a few months.
Nevada	Nevada is currently exploring options relating to bonding and what steps would be necessary if the state decides that is the best option for Nevada.
Rhode Island	This possibility of issuing a state bond to pay off our federal loans was explored last year but it didn't make sense at the time since we were still borrowing. This option may be revisited in the future.
Wisconsin	We are in the process of drafting a law change to allow Wisconsin to be able to secure funds from the private market. If this legislation passes, we will evaluate the financial benefit of private borrowing over federal borrowing.

[7] As of November 2, 2012 there were four states in 2012 to enact legislation allowing states to borrow from the private bond market to repay outstanding UI loans.

APPENDIX TWO

BACKGROUND INFORMATION

Created by the Social Security Act of 1935, the UI system has been a successful social insurance program for over 75 years. UI provides temporary, targeted, timely and partial wage replacement to laid-off workers. The UI system is a unique federal-state partnership. State unemployment benefits are financed through state payroll taxes generally on employers, which are held in individual state trust fund accounts in the federal unemployment trust fund in the US Treasury. States establish the parameters for determining the benefit amount for unemployed individuals including the initial and continuing eligibility requirements, and the level and duration of individual benefit amounts. States administer state unemployment insurance programs, but administrative funding comes from the federal government. The system is decentralized to the state level to address the varying economic conditions among the states.

UI Financing:
Employers receive a 5.4 percent credit on their Federal Unemployment Tax Act (FUTA) tax rate if the state's UI program is in compliance with federal law. All states are in compliance. The FUTA tax rate for employers is 6.0 percent for a net rate of 0.6 percent on the first $7,000 of each worker's gross earnings, thus equating to a $42 annual tax per worker. Funding for administration of the federal-state UI system is appropriated by Congress from the FUTA revenue. State UI payroll taxes fund benefit payments to unemployed individuals who meet the requirements of the specific state's law. Employers in states with overdue outstanding federal loans might pay a higher tax rate. FUTA tax revenue generally pays for administration of federal and state UI benefits, labor market information, and employment service administration, the federal half [8]of the permanent federal-state extended benefits program, and federal loans to insolvent state UI programs.

Changes to UI financing mechanisms are automatic, discretionary, or statutory, for example:

- Automatic adjustments are based on tax schedules and triggers already in state laws and are often dependent on the level of reserves in state trust UI funds or based on an index (including shifts to higher UI tax schedules, the introduction of solvency taxes, freezes to benefit levels, increases to employer's experience ratings, and increases to state taxable wage bases based on indexation).
- Discretionary adjustments are a result of actions authorized under state law and implemented by state authorities or agencies (including issuance of bonds, the introduction of special assessments such as surtaxes on a state's employers, and decisions to borrow funds from the state), and
- Statutory adjustments are modifications to state UI financing laws enacted by state legislatures (including adjustments to UI tax schedules and tax rates within state tax schedules, increases to state taxable wage bases, adjustments to state automatic triggers to taxes or benefits, and measures to reduce UI benefit outlays such as reductions in minimum and maximum weekly benefit levels or decreasing the maximum duration of benefits allowed).

UI Benefits:
State UI Programs provide unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law), and meet other eligibility requirements of state law.

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[8]The Emergency Unemployment Compensation Act of 2008 provided federal general revenue funding for EB and EUC

Eligibility for unemployment insurance, benefit amounts and the length of time benefits are available are determined by state law.

Eligible UI Claimants must meet the state requirements for wages earned or time worked during an established period of time referred to as a "base period." (In most states, this is usually the first four of the last five completed calendar quarters prior to the time a claim is filed).

States set specific requirements to determine benefits levels and duration. In general, benefits are based on a percentage of an individual's earnings over a recent 52-week period - up to a state maximum amount, and benefits can be paid for a maximum of 26 weeks in most States. Additional weeks of benefits may be available during times of high unemployment. Some states provide additional benefits for specific purposes, such as to support training.

To reduce UI benefit outlays, state benefit structures can be modified by restricting eligibility, capping or reducing the maximum weekly benefit amount, reducing the wage replacement fractions, cutting the potential duration of eligibility, reducing and collecting improper payments, or reducing the average duration on UI through cost-effective reemployment services, and reemployment and eligibility assessments.

UI Administration:

Administering unemployment benefits involves: (1) processing initial and continued claims for both state and federal benefit payments; (2) collecting unemployment taxes; (3) preventing improper payments and fraud; (4) answering questions from UI claimants and employers; and (5) adjudicating eligibility issues, such as disputes about job separations between UI claimants and employers.

Federal Borrowing Requirements:

Federal law contains an automatic loan repayment provision -- known as the FUTA credit reduction --for states with loans that have been outstanding for roughly two to three years. Specifically, if a state has an outstanding loan on January 1st of two consecutive years and does not fully repay the advances by the November 10th following the second January 1st, the credit employers in the state receive on the federal unemployment tax is reduced in the next year and the revenue generated from the credit reduction is applied to the outstanding loan until it is repaid. Each year the loans are overdue, the FUTA credit is reduced 0.3 percentage points, which increases the net tax rate by 0.3 percentage points in the first year it is overdue for a tax rate of 0.9 percent, 0.6 percent in the second year it is overdue for a tax rate of 1.2 percent, and so on until the 5.4 percent credit is reduced to zero or the loan is repaid. Additional credit reductions after the first credit reduction might apply also.

To avoid these FUTA credit reductions, states have a number of options, such as increasing tax revenue, reducing benefit outlays, seeking additional funding from other state sources, or borrowing from the private sector to repay the federal loans and/or increasing UI contributions or reducing benefit outlays to regain or maintain solvent state UI trust funds.

States might choose to borrow from the private capital markets to repay their federal loans or finance UI benefit outlays when the costs associated with borrowing or maintaining outstanding loans from the federal government get too high relative to the costs of the private market. To do so, states are typically required to enact legislation authorizing the issuance of bonds. Standard bond authorizing legislation spells out the characteristics of the bonds the state or agency can issue and establishes a special UI assessment (or surtax) to be levied on a state's employers after the bond is issued in order to pay the costs associated with the payment of principal and interest on the bond. Since the recession, and as of July 18, a total of five states – Colorado, Idaho, Illinois, Michigan and Texas – have issued more than $7.3 billion in municipal debt to repay their outstanding Title XII Loans.

Table 1: 2010 UI Financial Data (Data for 2011 has not been released)

Source: ETA Financial Data Handbook 394 Report, USDOL (2010)

	Average Employer Tax Rate as a Percent of Total Wages	Average Employer Tax Rate as a Percent of Taxable Wages
United States	0.80	2.98
Alabama	0.77	3.24
Alaska	1.20	1.95
Arizona	0.41	2.00
Arkansas	1.09	3.05
California	0.78	4.82
Colorado	0.53	2.10
Connecticut	0.89	3.49
Delaware	0.55	2.36
Dist. of Col.	0.37	2.49
Florida	0.51	2.38
Georgia	0.50	2.20
Hawaii	1.18	1.76
Idaho	1.94	2.85
Illinois	0.87	3.28
Indiana	0.64	2.96
Iowa	1.24	2.30
Kansas	0.84	2.53
Kentucky	0.86	3.51
Louisiana	0.37	1.62
Maine	0.94	2.67
Maryland	0.92	4.54
Massachusetts	1.16	4.06
Michigan	1.17	5.10
Minnesota	0.90	1.88
Mississippi	0.42	1.65
Missouri	0.69	2.13
Montana	1.03	1.54
Nebraska	0.85	3.15
Nevada	0.71	1.22
New Hampshire	0.80	3.36
New Jersey	1.12	2.51
New Mexico	0.69	1.38
New York	0.88	4.52
North Carolina	0.77	1.75
North Dakota	0.76	1.37
Ohio	0.77	3.18
Oklahoma	0.39	0.97
Oregon	1.66	2.74
Pennsylvania	1.12	5.58
Puerto Rico	1.03	3.25

Rhode Island	1.54	3.67
South Carolina	0.52	2.30
South Dakota	0.73	2.27
Tennessee	0.79	3.19
Texas	0.61	2.78
Utah	0.43	0.74
Vermont	0.99	3.46
Virginia	0.39	2.03
Virgin Islands	0.13	0.23
Washington	1.32	2.25
West Virginia	1.02	2.95
Wisconsin	1.12	3.59
Wyoming	1.20	2.37

Table 2: Significant Provisions of State Unemployment Insurance Laws in 2012 (Link)

Source: USDOL, Employment and Training Administration's Office of Workforce Security

State	2012 Wages Subject to Tax	2011 Min, Max and New Employer Rates
Ala.	$8,000	0.59% 6.74% 2.70%
Alaska	$34,600 *	1.00% 5.40% 3.40%
Ariz.	$7,000	0.02% 5.86% 2.00%
Ark.	$12,000	1.00% 6.90% 3.80%
Calif.	$7,000	1.50% 6.20% 3.40%
Colo.	$11,000	1.00% 5.40% 1.70%
Conn.	$15,000	1.90% 6.80% 3.70%
Del.	$10,500	0.10% 8.00% 2.60%
D.C.	$9,000	1.60% 7.00% 2.70%
Fla.	$8,500	1.03% 5.40% 2.70%
Ga.	$8,500	0.025% 5.40% 2.62%
Hawaii	$38,800 *	1.20% 5.40% 4.00%

State	2012 Wages Subject to Tax	2011 Min, Max and New Employer Rates
La.	$7,700*	0.11% 6.20% InAvg%
Maine	$12,000	0.86% 7.95% 3.02%
Md.	$8,500	2.20% 13.50% 2.60%
Mass.	$14,000	1.26% 12.27% 2.83%
Mich.	$9,500	0.06% 10.30% 2.70%
Minn.	$28,000*	0.50% 9.40% 2.91%
Miss.	$14,000	0.85% 5.40% 2.70%
Mo.	$13,000*	0.00% 9.75% 3.51%
Mont.	$27,000*	0.82% 6.12% InAvg%
Neb.	$9,000	0.00% 8.66% 2.50%
Nev.	$26,400*	0.25% 5.40% 2.95%
N.H.	$14,000	0.01% 7.00% 3.70%

State	2012 Wages Subject to Tax	2011 Min, Max and New Employer Rates
Okla.	$19,100 *	0.30% 7.50% 1.00%
Ore.	$33,000 *	2.20% 5.40% 3.30%
Pa.	$8,000	2.68% 10.82% 3.70%
P.R.	$7,000	2.40% 5.40% 3.30%
R.I.	$19,000 or $21,000 for high tax group employers	1.69% 9.79% 2.46%
S.C.	$12,000	0.10% 11.28% 2.24%
S.D.	$12,000	0.00% 9.50% 1.20%
Tenn.	$9,000*	0.50% 10.00% 2.70%
Texas	$9,000	0.78% 8.25% 2.70%
Utah	$29,500 *	0.40% 9.40% InAvg%
Vt.	$16,000	1.30% 8.40% 1.00%
Va.	$8,000	0.77% 6.87% 3.17%

Idaho	$34,100 *	0.96% 6.80% 3.36%
Ill.	$13,560 *	0.70% 8.40% 3.80%
Ind.	$9,500	0.70% 9.50% 2.50%
Iowa	$25.300 *	0.00% 9.00% 1.90%
Kan.	$8,000	0.11% 7.40% 4.00%
Ky.	$9,000	1.00% 10.00% 2.70%

N.J.	$30,300*	0.50% 5.80% 2.80%
N.M.	$22,400*	0.05% 5.40% 2.00%
N.Y.	$8,500	1.50% 9.90% 4.10%
N.C.	$20,400*	0.24% 6.84% 1.20%
N.D.	$27,900*	0.20% 10.00% 1.37%
Ohio	$9,000	0.70% 9.60% 2.70%

V.I.	$23,700 *	0.10% 9.00% 3.00%
Wash.	$38,200 *	0.49% 6.00% InAvg%
W. Va	$12,000 *	1.50% 7.50% 2.70%
Wis.	$13,000	0.27% 9.80% 3.60%
Wyo.	$23,000 *	0.67% 10.00% InAvg%

* These states have indexed taxable wage bases for 2011, according to the USDOL Comparison of State Unemployment Laws (available here).