
SERVICE BULLETIN

Florida Legislation Suspends Anticipated Tax Increases

March 4, 2010

House Bill 7033 has been signed by Governor Crist, substantially reducing state unemployment tax payments for 2010 and 2011 for Florida employers. The downside is that this legislation will cause greater borrowing from the federal government to pay for unemployment benefits, and there will eventually be costs associated with this borrowing.

Following are the most significant changes:

- The taxable wage base is reduced from \$8,500 to \$7,000 for 2010 and 2011.
- Tax rates for experience-rated employers will be reduced, retroactive to January 1, 2010, because the “positive adjustment factor” is suspended for 2010 and 2011.
- Allows employers to make quarterly installment payments of UI taxes for 2010 and 2011 without interest or penalties, as long as payments are made according to schedule.
- Provides for payment of interest on federal advances through an employer assessment. The first assessment will be in 2011.

This legislation provides welcome relief for Florida employers, but to a great extent it moves costs out into the future instead of eliminating them. At some point the unemployment trust fund balance must be restored, and this happens by bringing in tax revenue that exceeds the amount of UI benefits being paid.

Florida employers can expect to pay higher federal unemployment taxes for 2012 because of a partial loss of credit due to an outstanding loan. H.B. 7033 increases the likelihood that the federal loan, currently in excess of \$1 billion, will not be repaid in time to avoid a federal unemployment tax rate of 1.10% (as opposed to the normal 0.80% rate) for 2012. However, the 0.30% FUTA tax increase will be used to offset the loan balance. The elevated federal unemployment tax rate may continue and escalate after 2012 until such time as the loan is fully repaid.

We contacted the Florida Department of Revenue, and we were advised that the Department will start to generate amended 2010 unemployment tax rate notices tomorrow, and they expect to mail the amended tax rate notices by the end of March. The Department does not anticipate changing the due date for the first quarter tax returns and payments (April 30th).

The full text of H.B. 7033 follows. If there are any questions please do not hesitate to contact us.

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1 A bill to be entitled
2 An act relating to unemployment compensation; reviving,
3 readopting, and amending s. 443.1117, F.S.; providing for
4 retroactive application; establishing temporary state
5 extended benefits for weeks of unemployment; revising
6 definitions; providing for state extended benefits for
7 certain weeks and for periods of high unemployment;
8 providing applicability; amending s. 443.1217, F.S.;
9 reducing the amount of exempt wages beginning January 1,
10 2010; increasing the amount of exempt wages beginning
11 January 1, 2012; suspending an exempt wages adjustment
12 when repayment of a federal advance is owed; amending s.
13 443.131, F.S.; providing that a positive adjustment factor
14 begins January 1, 2012; providing criteria for the
15 determination of taxable payroll beginning January 1,
16 2012; providing rate calculation direction to the tax
17 collection service provider for the rate effective January
18 1, 2012; requiring an employer assessment when federal
19 advance interest is due; requiring the Revenue Estimating
20 Conference to calculate interest based on certain factors
21 at a date certain; requiring an assessment by a date
22 certain; providing a formula for calculation of the
23 employer interest assessment rate and payment; providing
24 for a separate collection of such assessment by a tax
25 collection service provider; naming an account to hold
26 interest collected until payment is directed; providing
27 for credit of excess interest funds collected; providing
28 for a suspension or termination of assessment under

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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29 | certain circumstances; providing credit for interest funds
30 | collected prior to suspension or termination; providing a
31 | limitation; providing for the elimination of provisions
32 | that interfere with federal interest relief or federal tax
33 | credit; amending s. 443.141; F.S.; providing retroactive
34 | effect; providing a schedule for contributing employers to
35 | make payments for 2010 and 2011 contributions due for
36 | wages; requiring a contributing employer to pay a fee of
37 | up to \$5 to participate in the new schedule; providing for
38 | penalties, interest, and fees on delinquent contributions;
39 | providing appropriations for purposes of implementation;
40 | providing that the act fulfills an important state
41 | interest; providing an effective date.

42 |

43 | Be It Enacted by the Legislature of the State of Florida:

44 |

45 | Section 1. Notwithstanding the expiration date contained
46 | in section 4 of chapter 2009-99, Laws of Florida, effective upon
47 | this act becoming a law, retroactive to January 2, 2010, and
48 | expiring February 27, 2010, section 443.1117, Florida Statutes,
49 | is revived, readopted, and amended to read:

50 | 443.1117 Temporary extended benefits.—

51 | (1) APPLICABILITY OF EXTENDED BENEFITS STATUTE.—Except
52 | when the result is inconsistent with the other provisions of
53 | this section, the provisions of s. 443.1115(3), (4), (6), and
54 | (7) apply to all claims covered by this section.

55 | (2) DEFINITIONS.—For the purposes of this section, the
56 | term:

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57 (a) "Regular benefits" and "extended benefits" have the
58 same meaning as in s. 443.1115.

59 (b) "Eligibility period" means the period consisting of
60 the weeks in an individual's benefit year or emergency benefit
61 period which begin in an extended benefit period and, if the
62 benefit year or emergency benefit period ends within that
63 extended benefit period, any subsequent weeks beginning in that
64 period.

65 (c) "Emergency benefits" means Emergency Unemployment
66 Compensation paid pursuant to Pub. L. No. 110-252, Pub. L. No.
67 110-449, ~~and~~ Pub. L. No. 111-5, Pub. L. No. 111-92, and Pub. L.
68 No. 111-118.

69 (d) "Extended benefit period" means a period that:

70 1. Begins with the third week after a week for which there
71 is a state "on" indicator; and

72 2. Ends with any of the following weeks, whichever occurs
73 later:

74 a. The third week after the first week for which there is
75 a state "off" indicator;

76 b. The 13th consecutive week of that period.

77
78 However, an extended benefit period may not begin by reason of a
79 state "on" indicator before the 14th week after the end of a
80 prior extended benefit period that was in effect for this state.

81 (e) "Emergency benefit period" means the period during
82 which an individual receives emergency benefits as defined in
83 paragraph (c).

84 (f) "Exhaustee" means an individual who, for any week of

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85 unemployment in her or his eligibility period:

86 1. Has received, before that week, all of the regular
87 benefits and emergency benefits, if any, available under this
88 chapter or any other law, including dependents' allowances and
89 benefits payable to federal civilian employees and ex-
90 servicemembers under 5 U.S.C. ss. 8501-8525, in the current
91 benefit year or emergency benefit period that includes that
92 week. For the purposes of this subparagraph, an individual has
93 received all of the regular benefits and emergency benefits, if
94 any, available although, as a result of a pending appeal for
95 wages paid for insured work which were not considered in the
96 original monetary determination in the benefit year, she or he
97 may subsequently be determined to be entitled to added regular
98 benefits;

99 2. Had a benefit year which expired before that week, and
100 was paid no, or insufficient, wages for insured work on the
101 basis of which she or he could establish a new benefit year that
102 includes that week; and

103 3.a. Has no right to unemployment benefits or allowances
104 under the Railroad Unemployment Insurance Act or other federal
105 laws as specified in regulations issued by the United States
106 Secretary of Labor; and

107 b. Has not received and is not seeking unemployment
108 benefits under the unemployment compensation law of Canada; but
109 if an individual is seeking those benefits and the appropriate
110 agency finally determines that she or he is not entitled to
111 benefits under that law, she or he is considered an exhaustee.

112 (g) "State 'on' indicator" means, with respect to weeks of

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113 unemployment beginning on or after February 1, 2009, and ending
114 on or before January 30, 2010 ~~December 12, 2009~~, the occurrence
115 of a week in which the average total unemployment rate,
116 seasonally adjusted, as determined by the United States
117 Secretary of Labor, for the period consisting of the most recent
118 3 months for which data for all states are published by the
119 United States Department of Labor:

120 1. Equals or exceeds 110 percent of the average of those
121 rates for the corresponding 3-month period ending in each of the
122 preceding 2 calendar years; and

123 2. Equals or exceeds 6.5 percent.

124 (h) "High unemployment period" means, with respect to
125 weeks of unemployment beginning on or after February 1, 2009,
126 and ending on or before January 30, 2010 ~~December 12, 2009~~, any
127 week in which the average total unemployment rate, seasonally
128 adjusted, as determined by the United States Secretary of Labor,
129 for the period consisting of the most recent 3 months for which
130 data for all states are published by the United States
131 Department of Labor:

132 1. Equals or exceeds 110 percent of the average of those
133 rates for the corresponding 3-month period ending in each of the
134 preceding 2 calendar years; and

135 2. Equals or exceeds 8 percent.

136 (i) "State 'off' indicator" means the occurrence of a week
137 in which there is no state "on" indicator or which does not
138 constitute a high unemployment period.

139 (3) TOTAL EXTENDED BENEFIT AMOUNT.—Except as provided in
140 subsection (4) ~~(5)~~:

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141 (a) For any week for which there is an "on" indicator
142 pursuant to paragraph (2)(g), the total extended benefit amount
143 payable to an eligible individual for her or his applicable
144 benefit year is the lesser of:

145 1. Fifty percent of the total regular benefits payable
146 under this chapter in the applicable benefit year; or

147 2. Thirteen times the weekly benefit amount payable under
148 this chapter for a week of total unemployment in the applicable
149 benefit year.

150 (b) For any high unemployment period as defined in
151 paragraph (2)(h), the total extended benefit amount payable to
152 an eligible individual for her or his applicable benefit year is
153 the lesser of:

154 1. Eighty percent of the total regular benefits payable
155 under this chapter in the applicable benefit year; or

156 2. Twenty times the weekly benefit amount payable under
157 this chapter for a week of total unemployment in the applicable
158 benefit year.

159 (4) EFFECT ON TRADE READJUSTMENT.—Notwithstanding any
160 other provision of this chapter, if the benefit year of an
161 individual ends within an extended benefit period, the number of
162 weeks of extended benefits the individual is entitled to receive
163 in that extended benefit period for weeks of unemployment
164 beginning after the end of the benefit year, except as provided
165 in this section, is reduced, but not to below zero, by the
166 number of weeks for which the individual received, within that
167 benefit year, trade readjustment allowances under the Trade Act
168 of 1974, as amended.

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169 Section 2. The provisions of s. 443.1117, Florida
170 Statutes, as revived, readopted, and amended by section 1 of
171 this act, apply only to claims for weeks of unemployment in
172 which an exhaustee establishes entitlement to extended benefits
173 pursuant to that section which are established for the period
174 between February 22, 2009, and February 27, 2010.

175 Section 3. Subsection (1) and paragraph (a) of subsection
176 (2) of section 443.1217, Florida Statutes, are amended to read:
177 443.1217 Wages.—

178 (1) The wages subject to this chapter include all
179 remuneration for employment, including commissions, bonuses,
180 back pay awards, and the cash value of all remuneration paid in
181 any medium other than cash. The reasonable cash value of
182 remuneration in any medium other than cash must be estimated and
183 determined in accordance with rules adopted by the Agency for
184 Workforce Innovation or the state agency providing tax
185 collection services. The wages subject to this chapter include
186 tips or gratuities received while performing services that
187 constitute employment and are included in a written statement
188 furnished to the employer under s. 6053(a) of the Internal
189 Revenue Code of 1954. As used in this section only, the term
190 "employment" includes services constituting employment under any
191 employment security law of another state or of the Federal
192 Government.

193 (2) For the purpose of determining an employer's
194 contributions, the following wages are exempt from this chapter:

195 (a) 1. Beginning January 1, 2010, that part of remuneration
196 paid to an individual by an employer for employment during a

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197 calendar year in excess of the first \$7,000 of remuneration paid
 198 to the individual by an employer or his or her predecessor
 199 during that calendar year, unless that part of the remuneration
 200 is subject to a tax, under a federal law imposing the tax,
 201 against which credit may be taken for contributions required to
 202 be paid into a state unemployment fund.

203 2. Beginning January 1, 2012, that part of remuneration
 204 paid to an individual by an employer for employment during a
 205 calendar year in excess of the first \$8,500 of remuneration paid
 206 to the individual by the employer or his or her predecessor
 207 during that calendar year, unless that part of the remuneration
 208 is subject to a tax, under a federal law imposing the tax,
 209 against which credit may be taken for contributions required to
 210 be paid into a state unemployment fund. ~~As used in this section~~
 211 ~~only, the term "employment" includes services constituting~~
 212 ~~employment under any employment security law of another state or~~
 213 ~~of the Federal Government.~~

214 3. Beginning January 1, 2015, the part of remuneration
 215 paid to an individual by an employer for employment during a
 216 calendar year in excess of the first \$7,000 of remuneration paid
 217 to the individual by an employer or his or her predecessor
 218 during that calendar year, unless that part of the remuneration
 219 is subject to a tax, under a federal law imposing the tax,
 220 against which credit may be taken for contributions required to
 221 be paid into a state unemployment fund. The wage base exemption
 222 adjustment authorized by this subparagraph shall be suspended in
 223 any calendar year in which repayment of the principal amount of
 224 an advance received from the Unemployment Compensation Trust

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225 Fund under 42 U.S.C. s. 1321 is due to the Federal Government ~~is~~
226 ~~exempt from this chapter.~~

227 Section 4. Paragraph (e) of subsection (3) of section
228 443.131, Florida Statutes, is amended, and subsections (5) and
229 (6) are added to that section, to read:

230 443.131 Contributions.—

231 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
232 EXPERIENCE.—

233 (e) Assignment of variations from the standard rate.—For
234 the calculation of contribution rates effective January 1, 2010,
235 and thereafter:

236 1. The tax collection service provider shall assign a
237 variation from the standard rate of contributions for each
238 calendar year to each eligible employer. In determining the
239 contribution rate, varying from the standard rate to be assigned
240 each employer, adjustment factors computed under sub-
241 subparagraphs a.-d. shall be added to the benefit ratio. This
242 addition shall be accomplished in two steps by adding a variable
243 adjustment factor and a final adjustment factor. The sum of
244 these adjustment factors computed under sub-subparagraphs a.-d.
245 shall first be algebraically summed. The sum of these adjustment
246 factors shall next be divided by a gross benefit ratio
247 determined as follows: Total benefit payments for the 3-year
248 period described in subparagraph (b)2. shall be charged to
249 employers eligible for a variation from the standard rate, minus
250 excess payments for the same period, divided by taxable payroll
251 entering into the computation of individual benefit ratios for
252 the calendar year for which the contribution rate is being

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253 | computed. The ratio of the sum of the adjustment factors
254 | computed under sub-subparagraphs a.-d. to the gross benefit
255 | ratio shall be multiplied by each individual benefit ratio that
256 | is less than the maximum contribution rate to obtain variable
257 | adjustment factors; except that in any instance in which the sum
258 | of an employer's individual benefit ratio and variable
259 | adjustment factor exceeds the maximum contribution rate, the
260 | variable adjustment factor shall be reduced in order that the
261 | sum equals the maximum contribution rate. The variable
262 | adjustment factor for each of these employers is multiplied by
263 | his or her taxable payroll entering into the computation of his
264 | or her benefit ratio. The sum of these products shall be divided
265 | by the taxable payroll of the employers who entered into the
266 | computation of their benefit ratios. The resulting ratio shall
267 | be subtracted from the sum of the adjustment factors computed
268 | under sub-subparagraphs a.-d. to obtain the final adjustment
269 | factor. The variable adjustment factors and the final adjustment
270 | factor shall be computed to five decimal places and rounded to
271 | the fourth decimal place. This final adjustment factor shall be
272 | added to the variable adjustment factor and benefit ratio of
273 | each employer to obtain each employer's contribution rate. An
274 | employer's contribution rate may not, however, be rounded to
275 | less than 0.1 percent.

276 | a. An adjustment factor for noncharge benefits shall be
277 | computed to the fifth decimal place and rounded to the fourth
278 | decimal place by dividing the amount of noncharge benefits
279 | during the 3-year period described in subparagraph (b)2. by the
280 | taxable payroll of employers eligible for a variation from the

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281 standard rate who have a benefit ratio for the current year
282 which is less than the maximum contribution rate. For purposes
283 of computing this adjustment factor, the taxable payroll of
284 these employers is the taxable payrolls for the 3 years ending
285 June 30 of the current calendar year as reported to the tax
286 collection service provider by September 30 of the same calendar
287 year. As used in this sub-subparagraph, the term "noncharge
288 benefits" means benefits paid to an individual from the
289 Unemployment Compensation Trust Fund, but which were not charged
290 to the employment record of any employer.

291 b. An adjustment factor for excess payments shall be
292 computed to the fifth decimal place, and rounded to the fourth
293 decimal place by dividing the total excess payments during the
294 3-year period described in subparagraph (b)2. by the taxable
295 payroll of employers eligible for a variation from the standard
296 rate who have a benefit ratio for the current year which is less
297 than the maximum contribution rate. For purposes of computing
298 this adjustment factor, the taxable payroll of these employers
299 is the same figure used to compute the adjustment factor for
300 noncharge benefits under sub-subparagraph a. As used in this
301 sub-subparagraph, the term "excess payments" means the amount of
302 benefits charged to the employment record of an employer during
303 the 3-year period described in subparagraph (b)2., less the
304 product of the maximum contribution rate and the employer's
305 taxable payroll for the 3 years ending June 30 of the current
306 calendar year as reported to the tax collection service provider
307 by September 30 of the same calendar year. As used in this sub-
308 subparagraph, the term "total excess payments" means the sum of

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309 the individual employer excess payments for those employers that
310 were eligible to be considered for assignment of a contribution
311 rate different from the standard rate.

312 c.(I) Beginning January 1, 2012, if the balance of the
313 Unemployment Compensation Trust Fund on June 30 of the calendar
314 year immediately preceding the calendar year for which the
315 contribution rate is being computed is less than 4 percent of
316 the taxable payrolls for the year ending June 30 as reported to
317 the tax collection service provider by September 30 of that
318 calendar year, a positive adjustment factor shall be computed.
319 The positive adjustment factor shall be computed annually to the
320 fifth decimal place and rounded to the fourth decimal place by
321 dividing the sum of the total taxable payrolls for the year
322 ending June 30 of the current calendar year as reported to the
323 tax collection service provider by September 30 of that calendar
324 year into a sum equal to one-third of the difference between the
325 balance of the fund as of June 30 of that calendar year and the
326 sum of 5 percent of the total taxable payrolls for that year.
327 The positive adjustment factor remains in effect for subsequent
328 years until the balance of the Unemployment Compensation Trust
329 Fund as of June 30 of the year immediately preceding the
330 effective date of the contribution rate equals or exceeds 5
331 percent of the taxable payrolls for the year ending June 30 of
332 the current calendar year as reported to the tax collection
333 service provider by September 30 of that calendar year.

334 (II) Beginning January 1, 2015, and for each year
335 thereafter, the positive adjustment authorized by this section
336 shall be computed by dividing the sum of the total taxable

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337 payrolls for the year ending June 30 of the current calendar
338 year as reported to the tax collection service provider by
339 September 30 of that calendar year into a sum equal to one-
340 fourth of the difference between the balance of the fund as of
341 June 30 of that calendar year and the sum of 5 percent of the
342 total taxable payrolls for that year. The positive adjustment
343 factor remains in effect for subsequent years until the balance
344 of the Unemployment Compensation Trust Fund as of June 30 of the
345 year immediately preceding the effective date of the
346 contribution rate equals or exceeds 4 percent of the taxable
347 payrolls for the year ending June 30 of the current calendar
348 year as reported to the tax collection service provider by
349 September 30 of that calendar year.

350 d. If, beginning January 1, 2015, and each year
351 thereafter, the balance of the Unemployment Compensation Trust
352 Fund as of June 30 of the year immediately preceding the
353 calendar year for which the contribution rate is being computed
354 exceeds 5 percent of the taxable payrolls for the year ending
355 June 30 of the current calendar year as reported to the tax
356 collection service provider by September 30 of that calendar
357 year, a negative adjustment factor shall be computed. The
358 negative adjustment factor shall be computed annually beginning
359 on January 1, 2015, and each year thereafter, to the fifth
360 decimal place and rounded to the fourth decimal place by
361 dividing the sum of the total taxable payrolls for the year
362 ending June 30 of the current calendar year as reported to the
363 tax collection service provider by September 30 of the calendar
364 year into a sum equal to one-fourth of the difference between

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365 the balance of the fund as of June 30 of the current calendar
 366 year and 5 percent of the total taxable payrolls of that year.
 367 The negative adjustment factor remains in effect for subsequent
 368 years until the balance of the Unemployment Compensation Trust
 369 Fund as of June 30 of the year immediately preceding the
 370 effective date of the contribution rate is less than 5 percent,
 371 but more than 4 percent of the taxable payrolls for the year
 372 ending June 30 of the current calendar year as reported to the
 373 tax collection service provider by September 30 of that calendar
 374 year. The negative adjustment authorized by this section is
 375 suspended in any calendar year in which repayment of the
 376 principal amount of an advance received from the federal
 377 Unemployment Compensation Trust Fund under 42 U.S.C. s. 1321 is
 378 due to the Federal Government.

379 e. The maximum contribution rate that may be assigned to
 380 an employer is 5.4 percent, except employers participating in an
 381 approved short-time compensation plan may be assigned a maximum
 382 contribution rate that is 1 percent greater than the maximum
 383 contribution rate for other employers in any calendar year in
 384 which short-time compensation benefits are charged to the
 385 employer's employment record.

386 f. As used in this subsection, "taxable payroll" shall be
 387 determined by excluding any part of the remuneration paid to an
 388 individual by an employer for employment during a calendar year
 389 in excess of the first \$7,000. Beginning January 1, 2012,
 390 "taxable payroll" shall be determined by excluding any part of
 391 the remuneration paid to an individual by an employer for
 392 employment during a calendar year as described in s.

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393 443.1217(2). For the purposes of the employer rate calculation
 394 that will take effect January 1, 2012, and January 1, 2013, the
 395 tax collection service provider shall use the data available for
 396 taxable payroll from 2009 based on excluding any part of the
 397 remuneration paid to an individual by an employer for employment
 398 during a calendar year in excess of the first \$7,000, and for
 399 2010 and 2011, the data available for taxable payroll based on
 400 excluding any part of the remuneration paid to an individual by
 401 an employer for employment during a calendar year in excess of
 402 the first \$8,500.

403 2. If the transfer of an employer's employment record to
 404 an employing unit under paragraph (f) which, before the
 405 transfer, was an employer, the tax collection service provider
 406 shall recompute a benefit ratio for the successor employer based
 407 on the combined employment records and reassign an appropriate
 408 contribution rate to the successor employer effective on the
 409 first day of the calendar quarter immediately after the
 410 effective date of the transfer.

411 (5) ADDITIONAL RATE FOR INTEREST ON FEDERAL ADVANCES.—

412 (a) When the Unemployment Compensation Trust Fund has
 413 received advances from the Federal Government under the
 414 provisions of 42 U.S.C. s. 1321, each contributing employer
 415 shall be assessed an additional rate solely for the purpose of
 416 paying interest due on such federal advances. The additional
 417 rate shall be assessed no later than February 1 in each calendar
 418 year in which an interest payment is due. The Revenue Estimating
 419 Conference shall estimate the amount of such interest no later
 420 than December 1 of the calendar year preceding the calendar year

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421 in which an interest payment is due. The Revenue Estimating
422 Conference shall, at a minimum, consider the following as the
423 basis for the estimate:

- 424 1. The amounts actually advanced to the trust fund.
- 425 2. Amounts expected to be advanced to the trust fund based
426 on current and projected unemployment patterns and employer
427 contributions.
- 428 3. The interest payment due date.
- 429 4. The interest rate that will be applied by the Federal
430 Government to any accrued outstanding balances.

431 (b) The additional rate assessed for a calendar year shall
432 be determined by dividing the estimated amount of interest to be
433 paid in that year by 95 percent of the taxable wages as
434 described in s. 443.1217 paid by all employers for the year
435 ending June 30 of the immediately preceding calendar year. The
436 amount to be paid by each employer shall be the product obtained
437 by multiplying such employer's taxable wages as described in s.
438 443.1217 for the year ending June 30 of the immediately
439 preceding calendar year by the rate as determined by this
440 subsection. The tax collection service provider shall make a
441 separate collection of such assessment, which may be collected
442 at the time of employer contributions and subject to the same
443 penalties for failure to file a report, imposition of the
444 standard rate pursuant to paragraph (3)(h), and interest if the
445 assessment is not received on or before June 30. Paragraphs (d)
446 and (e) of s. 443.141(1) do not apply to this separately
447 collected assessment. The tax collection service provider shall
448 maintain those funds in the tax collection service provider's

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449 Audit and Warrant Clearing Trust Fund until the provider is
450 directed by the Governor or the Governor's designee to make the
451 interest payment to the Federal Government. Assessments on
452 deposit may be invested and any interest earned shall be part of
453 the balance available to pay the interest on advances received
454 from the Federal Government under 42 U.S.C. s. 1321. In the
455 calendar year that all advances from the Federal Government
456 under 42 U.S.C. s. 1321 and associated interest are repaid, if
457 there are assessment funds in excess of the amount required to
458 meet the final interest payment, any such excess assessed funds
459 shall be credited to employer accounts in the Unemployment
460 Compensation Trust Fund in an amount equal to the employer's
461 contribution to the assessment for that year divided by the
462 total amount of the assessment for that year, the result of
463 which is multiplied by the amount of excess assessed funds.
464 However, if the state is permitted to defer interest payments
465 due during a calendar year under 42 U.S.C. s. 1322, payment of
466 the interest assessment shall not be due. If a deferral of
467 interest expires or is subsequently disallowed by the Federal
468 Government, either prospectively or retroactively, the interest
469 assessment shall be immediately due and payable. Notwithstanding
470 any other provision of this section, if interest due during a
471 calendar year on federal advances is forgiven or postponed under
472 federal law and is no longer due during that calendar year, no
473 interest assessment shall be assessed against an employer for
474 that calendar year, and any assessment already assessed and
475 collected against an employer before the forgiveness or
476 postponement of the interest for that calendar year shall be

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477 credited to such employer's account in the Unemployment
478 Compensation Trust Fund. However, such funds may be used only to
479 pay benefits or refunds of erroneous contributions.

480 (6) INVALIDITY OF CERTAIN PROVISIONS.—If any provision of
481 this section prevents the state from qualifying for any federal
482 interest relief provisions provided under s. 1202 of the Social
483 Security Act, 42 U.S.C. s. 1322, or prevents employers in this
484 state from qualifying for the limitation on credit reduction as
485 provided under s. 3302(f) of the Federal Unemployment Tax Act,
486 26 U.S.C. s. 3302(f), that provision is invalid to the extent
487 necessary to maintain qualification for the interest relief
488 provisions and federal unemployment tax credits.

489 Section 5. Effective upon this act becoming a law, and
490 retroactive to January 1, 2010, paragraphs (d) and (e) are added
491 to subsection (1) of section 443.141, Florida Statutes, to read:

492 443.141 Collection of contributions and reimbursements.—

493 (1) PAST DUE CONTRIBUTIONS AND REIMBURSEMENTS.—

494 (d) Payments for 2010 Contributions.—For an annual
495 administrative fee not to exceed \$5, a contributing employer may
496 pay its quarterly contributions due for wages paid in the first
497 three quarters of 2010 in equal installments if those
498 contributions are paid as follows:

499 1. For contributions due for wages paid in the first
500 quarter of 2010, one-fourth of the contributions due must be
501 paid on or before April 30, 2010, one-fourth must be paid on or
502 before July 31, 2010, one-fourth must be paid on or before
503 October 31, 2010, and the remaining one-fourth must be paid on
504 or before December 31, 2010.

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505 2. In addition to the payments specified in subparagraph
506 1., for contributions due for wages paid in the second quarter
507 of 2010, one-third of the contributions due must be paid on or
508 before July 31, 2010, one-third must be paid on or before
509 October 31, 2010, and the remaining one-third must be paid on or
510 before December 31, 2010.

511 3. In addition to the payments specified in subparagraphs
512 1. and 2., for contributions due for wages paid in the third
513 quarter of 2010, one-half of the contributions due must be paid
514 on or before October 31, 2010, and the remaining one-half must
515 be paid on or before December 31, 2010.

516 4. The annual administrative fee not to exceed \$5 for the
517 election to pay under the installment method shall be collected
518 at the time the employer makes the first installment payment.
519 The \$5 fee shall be segregated from the payment and shall be
520 deposited in the Operating Trust Fund within the Department of
521 Revenue.

522 5. Interest does not accrue on any contribution that
523 becomes due for wages paid in the first three quarters of 2010
524 if the employer pays the contribution in accordance with
525 subparagraphs 1.-4. Interest and fees continue to accrue on
526 prior delinquent contributions and commence accruing on all
527 contributions due for wages paid in the first three quarters of
528 2010 which are not paid in accordance with subparagraphs 1.-3.
529 Penalties may be assessed in accordance with this chapter. The
530 contributions due for wages paid in the fourth quarter of 2010
531 are not affected by this paragraph and are due and payable in
532 accordance with this chapter.

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533 (e) Payments for 2011 Contributions.—For an annual
534 administrative fee not to exceed \$5, a contributing employer may
535 pay its quarterly contributions due for wages paid in the first
536 three quarters of 2011 in equal installments if those
537 contributions are paid as follows:

538 1. For contributions due for wages paid in the first
539 quarter of 2011, one-fourth of the contributions due must be
540 paid on or before April 30, 2011, one-fourth must be paid on or
541 before July 31, 2011, one-fourth must be paid on or before
542 October 31, 2011, and the remaining one-fourth must be paid on
543 or before December 31, 2011.

544 2. In addition to the payments specified in subparagraph
545 1., for contributions due for wages paid in the second quarter
546 of 2011, one-third of the contributions due must be paid on or
547 before July 31, 2011, one-third must be paid on or before
548 October 31, 2011, and the remaining one-third must be paid on or
549 before December 31, 2011.

550 3. In addition to the payments specified in subparagraphs
551 1. and 2., for contributions due for wages paid in the third
552 quarter of 2011, one-half of the contributions due must be paid
553 on or before October 31, 2011, and the remaining one-half must
554 be paid on or before December 31, 2011.

555 4. The annual administrative fee not to exceed \$5 for the
556 election to pay under the installment method shall be collected
557 at the time the employer makes the first installment payment.
558 The \$5 fee shall be segregated from the payment and shall be
559 deposited in the Operating Trust Fund within the Department of
560 Revenue.

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561 5. Interest does not accrue on any contribution that
562 becomes due for wages paid in the first three quarters of 2011
563 if the employer pays the contribution in accordance with
564 subparagraphs 1.-4. Interest and fees continue to accrue on
565 prior delinquent contributions and commence accruing on all
566 contributions due for wages paid in the first three quarters of
567 2011 which are not paid in accordance with subparagraphs 1.-3.
568 Penalties may be assessed in accordance with this chapter. The
569 contributions due for wages paid in the fourth quarter of 2011
570 are not affected by this paragraph and are due and payable in
571 accordance with this chapter.

572 Section 6. For the 2009-2010 fiscal year, the sum of
573 \$903,642 in nonrecurring funds is appropriated from the
574 Operating Trust Fund to the Administration of Unemployment
575 Compensation Tax Special Category in the Department of Revenue
576 to be used to implement this act. In addition, for the 2009-2010
577 fiscal year, the sum of \$643,862 in nonrecurring funds is
578 appropriated from the Employment Security Administration Trust
579 Fund in the contracted services appropriation category to the
580 Agency for Workforce Innovation to be used to contract with the
581 Department of Revenue for tax-related services as required to
582 implement this act.

583 Section 7. The Legislature finds that this act fulfills an
584 important state interest.

585 Section 8. Except as otherwise expressly provided in this
586 act, this act shall take effect upon becoming a law, retroactive
587 to June 29, 2009.