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# SERVICE BULLETIN

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## Update on Indiana UI Legislation

March 23, 2010

The Indiana Department of Workforce Development (“DWD”) continues to delay sending out 2010 unemployment tax rate notices because of legislation that is pending in the Indiana Legislature. This legislation would delay an increase in the Indiana UI taxable wage limitation from \$7,000 to \$9,500 until 2011. The legislation would also delay a change in UI tax rate tables until 2011.

The anticipated amendment is causing some difficulty for Indiana employers who are trying to determine their SUI taxable wages for the first quarter of 2010. Today we spoke with a representative of the DWD and we were informed that they fully expect legislation (H.B. 1241) to pass, freezing the taxable wage limitation at \$7,000 for 2010. We also found that the website for the Indiana General Assembly shows that H.B. 1241 has passed the House and is now in the Senate. All indications are that it is on its way to enactment.

With respect to UI tax rates, DWD sent out letters in December, showing unofficial tax rates under current law (Tax rate for 2010 under HEA 1379) and if current law is delayed (Tax rate if HEA 1379 is delayed). This letter may be a little confusing. The second tax rate in their December letter (Tax rate if HEA 1379 is delayed) should be assigned when H.B. 1241 becomes law.

We have been advised that 2010 tax rate notices are currently being printed, on the assumption that H.B. 1241 will become law and there will be no change in the tax rate tables or the taxable wage base for 2010. It is also our understanding that Governor Daniels has committed to signing the bill into law when it hits his desk. We will of course forward the tax rate notices to you immediately upon receipt. As always, if there are any questions please contact us. Bulletins may be viewed on our website at [www.thomasandthorngren.com](http://www.thomasandthorngren.com).

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