

The Florida Senate  
**HOUSE MESSAGE SUMMARY**

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Prepared By: The Professional Staff of the Commerce and Tourism Committee

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BILL: CS/CS/HB 7005, Engrossed 1 (CS/CS/SB 728)

INTRODUCER: Representative Holder and others (Economic Affairs Committee; Finance and Tax Committee; Economic Development and Tourism Subcommittee)

SUBJECT: Unemployment Compensation

DATE: May 4, 2011

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**I. Amendments Contained in Message:**

**House Amendment 1 - 700945 to Senate Amendment 1 – 336278** (body with title)  
**House Amendment 2 - 437127 to Senate Amendment 1 – 336278** (body with title)  
**House Amendment 3 - 945287 to Senate Amendment 1 – 336278** (body)  
**House Amendment 4 - 396855 to Senate Amendment 1 – 336278** (body)

**II. Summary of Amendments Contained in Message:**

**House Amendment 1** removes provisions that allow employee leasing companies to make a one-time decision to change from reporting leased employees under their company account to reporting the employees under their respective clients' accounts. This option could result in lower taxes for those companies choosing to change and a corresponding shift of the tax burden to other businesses.

**House Amendment 2** revises provisions related to the maximum weeks of unemployment benefits available and the maximum amount of benefits available.

The provisions reduce the maximum weeks of unemployment benefits from 26 to 23 weeks, which are available when the unemployment rate is 10.5 percent. The maximum weeks of unemployment benefits reduce correspondingly with the unemployment rate, with 12 being the lowest number of weeks available at an unemployment rate of 5 percent.

The provisions reduce the maximum amount of benefit available to \$6,325, which keeps the maximum weekly benefit amount at \$275 per week.

**House Amendment 3** changes the effective date of the tax relief provisions to make the provision retroactive to June 30, 2010, and applies to tax rates effective January 1, 2011.

First quarter returns for unemployment taxes were due on April 30, 2011; if this provision becomes effective, most employers will have paid their unemployment tax bill for 2011. It will take up to 4 weeks for the new tax rates and returns for the first quarter of 2011 to be mailed to employers; returns for the second quarter of 2011 are due to be sent to employers soon. There

likely will be confusion for employers as to the appropriate tax rate to pay for 2011. Some employers will be entitled to a refund of taxes paid.

The Department of Revenue has estimated that the costs to implement this provision will total \$402,891.

**House Amendment 4** removes the appropriation in the bill related to the employee leasing company provision and the 2012 tax relief provision. It adds an appropriation for the retroactive application of tax relief for 2011. This appropriation is \$242,300, which is \$160,591 less than the amount that the Department of Revenue estimated was necessary to implement the retroactive tax relief.