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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/01/2012	.	
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The Committee on Budget Subcommittee on Transportation, Tourism, and Economic Development Appropriations (Bogdanoff) recommended the following:

Senate Amendment (with title amendment)

Between lines 1030 and 1031
insert:

Section 13. Effective upon becoming law and operating retroactively to June 29, 2011, paragraph (a) of subsection (2) of section 443.1217, Florida Statutes, is amended to read:

443.1217 Wages.—

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

(a) ~~1. Beginning January 1, 2010, that part of remuneration~~



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12 ~~paid to an individual by an employer for employment during a~~
13 ~~calendar year in excess of the first \$7,000 of remuneration paid~~
14 ~~to the individual by an employer or his or her predecessor~~
15 ~~during that calendar year, unless that part of the remuneration~~
16 ~~is subject to a tax, under a federal law imposing the tax,~~
17 ~~against which credit may be taken for contributions required to~~
18 ~~be paid into a state unemployment fund.~~

19 1.2. Beginning January 1, 2012, that part of remuneration
20 paid to an individual by an employer for employment during a
21 calendar year in excess of the first \$8,000 ~~\$8,500~~ of
22 remuneration paid to the individual by the employer or his or
23 her predecessor during that calendar year, unless that part of
24 the remuneration is subject to a tax, under a federal law
25 imposing the tax, against which credit may be taken for
26 contributions required to be paid into a state unemployment
27 fund.

28 2.3. Beginning January 1, 2015, the part of remuneration
29 paid to an individual by an employer for employment during a
30 calendar year in excess of the first \$7,000 of remuneration paid
31 to the individual by an employer or his or her predecessor
32 during that calendar year, unless that part of the remuneration
33 is subject to a tax, under a federal law imposing the tax,
34 against which credit may be taken for contributions required to
35 be paid into a state unemployment fund. The wage base exemption
36 adjustment authorized by this subparagraph shall be suspended in
37 any calendar year in which repayment of the principal amount of
38 an advance received from the Unemployment Compensation Trust
39 Fund under 42 U.S.C. s. 1321 is due to the Federal Government.

40 Section 14. Effective upon becoming law and operating



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41 retroactively to June 29, 2011, paragraph (e) of subsection (3)
42 of section 443.131, Florida Statutes, is amended to read:

43 443.131 Contributions.—

44 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
45 EXPERIENCE.—

46 (e) *Assignment of variations from the standard rate.*—

47 1. As used in this paragraph, the terms "total benefit
48 payments," "benefits paid to an individual," and "benefits
49 charged to the employment record of an employer" mean the amount
50 of benefits paid to individuals multiplied by:

51 a. For benefits paid prior to July 1, 2007, 1.

52 b. For benefits paid during the period beginning on July 1,
53 2007, and ending March 31, 2011, 0.90.

54 c. For benefits paid after March 31, 2011, 1.

55 2. For the calculation of contribution rates effective
56 January 1, 2012 ~~January 1, 2010~~, and thereafter:

57 a. The tax collection service provider shall assign a
58 variation from the standard rate of contributions for each
59 calendar year to each eligible employer. In determining the
60 contribution rate, varying from the standard rate to be assigned
61 each employer, adjustment factors computed under sub-sub-
62 subparagraphs (I)-(IV) are added to the benefit ratio. This
63 addition shall be accomplished in two steps by adding a variable
64 adjustment factor and a final adjustment factor. The sum of
65 these adjustment factors computed under sub-sub-subparagraphs
66 (I)-(IV) shall first be algebraically summed. The sum of these
67 adjustment factors shall next be divided by a gross benefit
68 ratio determined as follows: Total benefit payments for the 3-
69 year period described in subparagraph (b)3. are charged to



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70 employers eligible for a variation from the standard rate, minus
71 excess payments for the same period, divided by taxable payroll
72 entering into the computation of individual benefit ratios for
73 the calendar year for which the contribution rate is being
74 computed. The ratio of the sum of the adjustment factors
75 computed under sub-sub-subparagraphs (I)-(IV) to the gross
76 benefit ratio is multiplied by each individual benefit ratio
77 that is less than the maximum contribution rate to obtain
78 variable adjustment factors; except that if the sum of an
79 employer's individual benefit ratio and variable adjustment
80 factor exceeds the maximum contribution rate, the variable
81 adjustment factor is reduced in order for the sum to equal the
82 maximum contribution rate. The variable adjustment factor for
83 each of these employers is multiplied by his or her taxable
84 payroll entering into the computation of his or her benefit
85 ratio. The sum of these products is divided by the taxable
86 payroll of the employers who entered into the computation of
87 their benefit ratios. The resulting ratio is subtracted from the
88 sum of the adjustment factors computed under sub-sub-
89 subparagraphs (I)-(IV) to obtain the final adjustment factor.
90 The variable adjustment factors and the final adjustment factor
91 must be computed to five decimal places and rounded to the
92 fourth decimal place. This final adjustment factor is added to
93 the variable adjustment factor and benefit ratio of each
94 employer to obtain each employer's contribution rate. An
95 employer's contribution rate may not, however, be rounded to
96 less than 0.1 percent.

97 (I) An adjustment factor for noncharge benefits is computed
98 to the fifth decimal place and rounded to the fourth decimal



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99 place by dividing the amount of noncharge benefits during the 3-
100 year period described in subparagraph (b)3. by the taxable
101 payroll of employers eligible for a variation from the standard
102 rate who have a benefit ratio for the current year which is less
103 than the maximum contribution rate. For purposes of computing
104 this adjustment factor, the taxable payroll of these employers
105 is the taxable payrolls for the 3 years ending June 30 of the
106 current calendar year as reported to the tax collection service
107 provider by September 30 of the same calendar year. As used in
108 this sub-sub-subparagraph, the term "noncharge benefits" means
109 benefits paid to an individual from the Unemployment
110 Compensation Trust Fund, but which were not charged to the
111 employment record of any employer.

112 (II) An adjustment factor for excess payments is computed
113 to the fifth decimal place, and rounded to the fourth decimal
114 place by dividing the total excess payments during the 3-year
115 period described in subparagraph (b)3. by the taxable payroll of
116 employers eligible for a variation from the standard rate who
117 have a benefit ratio for the current year which is less than the
118 maximum contribution rate. For purposes of computing this
119 adjustment factor, the taxable payroll of these employers is the
120 same figure used to compute the adjustment factor for noncharge
121 benefits under sub-sub-subparagraph (I). As used in this sub-
122 subparagraph, the term "excess payments" means the amount of
123 benefits charged to the employment record of an employer during
124 the 3-year period described in subparagraph (b)3., less the
125 product of the maximum contribution rate and the employer's
126 taxable payroll for the 3 years ending June 30 of the current
127 calendar year as reported to the tax collection service provider



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128 by September 30 of the same calendar year. As used in this sub-
129 sub-subparagraph, the term "total excess payments" means the sum
130 of the individual employer excess payments for those employers
131 that were eligible for assignment of a contribution rate
132 different from the standard rate.

133 (III) With respect to computing a positive adjustment
134 factor:

135 (A) Beginning January 1, 2012, if the balance of the
136 Unemployment Compensation Trust Fund on September 30 of the
137 calendar year immediately preceding the calendar year for which
138 the contribution rate is being computed is less than 4 percent
139 of the taxable payrolls for the year ending June 30 as reported
140 to the tax collection service provider by September 30 of that
141 calendar year, a positive adjustment factor shall be computed.
142 The positive adjustment factor is computed annually to the fifth
143 decimal place and rounded to the fourth decimal place by
144 dividing the sum of the total taxable payrolls for the year
145 ending June 30 of the current calendar year as reported to the
146 tax collection service provider by September 30 of that calendar
147 year into a sum equal to one-fifth ~~one-third~~ of the difference
148 between the balance of the fund as of September 30 of that
149 calendar year and the sum of 5 percent of the total taxable
150 payrolls for that year. The positive adjustment factor remains
151 in effect for subsequent years until the balance of the
152 Unemployment Compensation Trust Fund as of September 30 of the
153 year immediately preceding the effective date of the
154 contribution rate equals or exceeds 4 ~~5~~ percent of the taxable
155 payrolls for the year ending June 30 of the current calendar
156 year as reported to the tax collection service provider by



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157 September 30 of that calendar year.

158 (B) Beginning January 1, 2018 ~~January 1, 2015~~, and for each
159 year thereafter, the positive adjustment shall be computed by
160 dividing the sum of the total taxable payrolls for the year
161 ending June 30 of the current calendar year as reported to the
162 tax collection service provider by September 30 of that calendar
163 year into a sum equal to one-fourth of the difference between
164 the balance of the fund as of September 30 of that calendar year
165 and the sum of 5 percent of the total taxable payrolls for that
166 year. The positive adjustment factor remains in effect for
167 subsequent years until the balance of the Unemployment
168 Compensation Trust Fund as of September 30 of the year
169 immediately preceding the effective date of the contribution
170 rate equals or exceeds 4 percent of the taxable payrolls for the
171 year ending June 30 of the current calendar year as reported to
172 the tax collection service provider by September 30 of that
173 calendar year.

174 (IV) If, beginning January 1, 2015, and each year
175 thereafter, the balance of the Unemployment Compensation Trust
176 Fund as of September 30 of the year immediately preceding the
177 calendar year for which the contribution rate is being computed
178 exceeds 5 percent of the taxable payrolls for the year ending
179 June 30 of the current calendar year as reported to the tax
180 collection service provider by September 30 of that calendar
181 year, a negative adjustment factor must be computed. The
182 negative adjustment factor shall be computed annually beginning
183 on January 1, 2015, and each year thereafter, to the fifth
184 decimal place and rounded to the fourth decimal place by
185 dividing the sum of the total taxable payrolls for the year



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186 ending June 30 of the current calendar year as reported to the
187 tax collection service provider by September 30 of the calendar
188 year into a sum equal to one-fourth of the difference between
189 the balance of the fund as of September 30 of the current
190 calendar year and 5 percent of the total taxable payrolls of
191 that year. The negative adjustment factor remains in effect for
192 subsequent years until the balance of the Unemployment
193 Compensation Trust Fund as of September 30 of the year
194 immediately preceding the effective date of the contribution
195 rate is less than 5 percent, but more than 4 percent of the
196 taxable payrolls for the year ending June 30 of the current
197 calendar year as reported to the tax collection service provider
198 by September 30 of that calendar year. The negative adjustment
199 authorized by this section is suspended in any calendar year in
200 which repayment of the principal amount of an advance received
201 from the federal Unemployment Compensation Trust Fund under 42
202 U.S.C. s. 1321 is due to the Federal Government.

203 (V) The maximum contribution rate that may be assigned to
204 an employer is 5.4 percent, except employers participating in an
205 approved short-time compensation plan may be assigned a maximum
206 contribution rate that is 1 percent greater than the maximum
207 contribution rate for other employers in any calendar year in
208 which short-time compensation benefits are charged to the
209 employer's employment record.

210 (VI) As used in this subsection, "taxable payroll" shall be
211 determined by excluding any part of the remuneration paid to an
212 individual by an employer for employment during a calendar year
213 in excess of the first \$7,000. Beginning January 1, 2012,
214 "taxable payroll" shall be determined by excluding any part of



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215 the remuneration paid to an individual by an employer for
216 employment during a calendar year as described in s.
217 443.1217(2). For the purposes of the employer rate calculation
218 that will take effect in January 1, 2012, and in January 1,
219 2013, the tax collection service provider shall use the data
220 available for taxable payroll from 2009 based on excluding any
221 part of the remuneration paid to an individual by an employer
222 for employment during a calendar year in excess of the first
223 \$7,000, and from 2010 and 2011, the data available for taxable
224 payroll based on excluding any part of the remuneration paid to
225 an individual by an employer for employment during a calendar
226 year in excess of the first \$8,500.

227 b. If the transfer of an employer's employment record to an
228 employing unit under paragraph (f) which, before the transfer,
229 was an employer, the tax collection service provider shall
230 recompute a benefit ratio for the successor employer based on
231 the combined employment records and reassign an appropriate
232 contribution rate to the successor employer effective on the
233 first day of the calendar quarter immediately after the
234 effective date of the transfer.

235 Delete lines 3585 - 3586

236 and insert:

237 Section 94. There is appropriated to the Department of
238 Economic Opportunity from the Employment Security Administration
239 Trust Fund \$346,463 for the 2011-2012 fiscal year and \$100,884
240 for the 2012-2013 fiscal year, which funds shall be used to
241 contract with the Department of Revenue to implement the
242 provisions of this act. There is appropriated to the Department
243 of Revenue from the Federal Grants Fund \$346,463 for the 2011-



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244 2012 fiscal year and \$100,884 for the 2012-2013 fiscal year to
245 implement the provisions of this act. This section shall be
246 effective upon this act becoming law.

247 Section 95. Except as otherwise expressly provided in this
248 act, and except for sections 13, 14, and 94 which shall take
249 effect upon becoming law, this act shall take effect July 1,
250 2012.

251
252 ===== T I T L E A M E N D M E N T =====

253 And the title is amended as follows:

254 Delete lines 35 - 36

255 and insert:

256 the changes made by this act; amending s. 443.1217,
257 F.S.; reducing the amount of an employee's wages that
258 are exempt from the employer's contribution to the
259 Unemployment Compensation Trust Fund for a certain
260 period of time; amending s. 443.131, F.S.; revising
261 the rate and recoupment period for computing the
262 employer contribution to the trust fund until January
263 1, 2018; providing for retroactive application;
264 prohibiting benefits from being charged to the
265 Between lines 73 and 74

266 insert:

267 providing appropriations for purposes of
268 implementation;