

Important Information about 2010 Unemployment Tax Changes

The Florida Legislature and Governor Charlie Crist have passed and signed into law unemployment tax relief for all Florida employers that were previously issued 2010 tax rates. These actions **take effect immediately**. In support of economic stability and job creation, the law will help strengthen the efforts of Florida's business community as it faces the economic challenges that have confronted our state.

This new law:

- Adjusts tax rate calculations through 2011.
- Reduces the taxable wage base from \$8,500 to \$7,000.
- Provides for quarterly installment payments.

The tax relief is effective beginning with the first quarter unemployment tax due by April 30, 2010.

Employers will receive their **new** 2010 Unemployment Tax Rate Notice (Form UCT-20) in late March or early April.

Taxable Wage Base Reduced From \$8,500 to \$7,000

If you are a software vendor with 2010 production credentials, please ensure that the taxable wage base amount is updated in your software to reflect the new taxable wage base amount of \$7,000.00. Failure to adjust software calculations will increase the chance of your customers receiving the W40 error message: Reported Taxable Wages does not equal calculated Taxable Wages: Reported=000000000 Calculated=0000000000. This warning message could result in your customer possibly being billed for additional tax due or receiving a refund in error.

Also, if any of your customers are electing to participate in the 2010 installment payment options, they will need to follow the instructions that will be posted on our website.

Installment Payment Options

Payroll Providers\Software Vendors – If you developed the payment option within your XML software, you may allow your customers to participate in the installment payment option by allowing them to include the one time \$5.00 installment fee with their payment of tax due in the quarter you elected to participate. Florida XML schemas for 2010 will not change for this payment option. For more information on how to calculate your installment payment, please visit the following web address:

http://dor.myflorida.com/dor/taxes/pdf/ut_installment_payment_calc.pdf

ACH Credit Payments - If you currently initiate ACH credit payments for unemployment tax, you may include the one time \$5.00 installment fee payment with your payment of tax due in the quarter you elected to participate. For more information on how to calculate your installment payment, please visit the following web address: http://dor.myflorida.com/dor/taxes/pdf/ut_installment_payment_calc.pdf

Touchtone ACH Debit Payments - If you currently make ACH debit payments using the Department's Touchtone payment system for unemployment tax, you may include the one time \$5.00 installment fee payment with your payment of tax due in the quarter you elected to participate. For more information on how to calculate your installment payment, please visit the following web address:

http://dor.myflorida.com/dor/taxes/pdf/ut_installment_payment_calc.pdf