HOUSE BILL 920*
Committee Substitute Favorable 5/6/93

Short Title: Cut Unemployment Insurance Tax.   (Public)

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Sponsors:

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Referred to:

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April 14, 1993

1	A BILL TO BE ENTITLED
2	AN ACT TO REDUCE THE STATE UNEMPLOYMENT INSURANCE TAX RATE
3	UNDER CERTAIN CIRCUMSTANCES.
4	The General Assembly of North Carolina enacts:
5	Section 1. G.S. 96-9(b)(3)d. reads as rewritten:
6	"d. ~~The applicable schedule of rates for the calendar year 1972 and~~
7	~~thereafter shall be determined by the fund ratio resulting when~~
8	~~the total amount available for benefits in the unemployment~~
9	~~insurance fund, as of the computation date, August 1, is divided~~
10	~~by the total amount of the taxable payroll of all subject~~
11	~~employers for the 12-month period ending June 30 preceding~~
12	~~such computation date.~~ ~~Schedule~~ <u>Rate</u> schedule
13	A,B,C,D,E,F,G,H, or I appearing on the line opposite ~~such~~ <u>the</u>
14	fund ratio in the <u>following Fund Ratio Schedules</u> table ~~below~~
15	shall be applicable in determining and assigning each eligible
16	employer's contribution rate for the calendar year immediately
17	following the computation date. <u>The fund ratio is the total</u>
18	<u>amount available for benefits in the Unemployment Insurance</u>
19	<u>Fund on the computation date divided by the total amount of the</u>

1 taxable payroll of all subject employers for the 12-month period
2 ending June 30 preceding the computation date.
3 **FUND RATIO SCHEDULES**

When the Fund Ratio Is:			Applicable
As Much As	But Less Than		Schedule
—	2.5%	A	
2.5%	3.5%	B	
3.5%	4.5%	C	
4.5%	5.5%	D	
5.5%	6.5%	E	
6.5%	7.5%	F	
7.5%	8.5%	G	
8.5%	9.5%	H	
9.5% and in excess thereof			I

16 ~~Variations from the standard rate of contributions shall be~~
17 ~~determined and assigned with respect to the calendar year 1972 and~~
18 ~~thereafter, to employers whose accounts have a credit balance and~~
19 ~~who are eligible therefor according to each such employer's credit~~
20 ~~reserve ratio, and each such employer shall be assigned the~~
21 ~~contribution rate appearing in the applicable Schedule~~
22 ~~A,B,C,D,E,F,G,H, or I on the line opposite his credit reserve ratio as~~
23 ~~set forth in the Experience Rating Formula below:~~
24 ~~**EXPERIENCE RATING FORMULA**~~

~~When The Credit Reserve Ratio Is:~~

~~As Much~~	~~But Less~~									
~~As~~	~~Than~~	~~Rate Schedules (%)~~								
		~~A~~								~~B~~
										~~C~~
										~~D~~
										~~E~~
										~~F~~
										~~G~~
										~~H~~
										~~I~~
~~—~~	~~0.8%~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~
~~0.8%~~	~~1.0~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~
~~1.0~~	~~1.2~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~
~~1.2~~	~~1.4~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~	~~1.9~~
~~1.4~~	~~1.6~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~	~~1.9~~	~~1.7~~
~~1.6~~	~~1.8~~	~~2.7~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~	~~1.9~~	~~1.7~~	~~1.5~~
~~1.8~~	~~2.0~~	~~2.7~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~	~~1.9~~	~~1.7~~	~~1.5~~	~~1.3~~
~~2.0~~	~~2.2~~	~~2.7~~	~~2.5~~	~~2.3~~	~~2.1~~	~~1.9~~	~~1.7~~	~~1.5~~	~~1.3~~	~~1.1~~

2.2	2.4	2.5	2.3	2.1	1.9	1.7	1.5	1.3	1.1	0.9
2.4	2.6	2.3	2.1	1.9	1.7	1.5	1.3	1.1	0.9	0.7
2.6	2.8	2.1	1.9	1.7	1.5	1.3	1.1	0.9	0.7	0.5
2.8	3.0	1.9	1.7	1.5	1.3	1.1	0.9	0.7	0.5	0.4
3.0	3.2	1.7	1.5	1.3	1.1	0.9	0.7	0.5	0.4	0.3
3.2	3.4	1.5	1.3	1.1	0.9	0.7	0.5	0.4	0.3	0.2
3.4	3.6	1.3	1.1	0.9	0.7	0.5	0.4	0.3	0.2	0.1
3.6	3.8	1.1	0.9	0.7	0.5	0.4	0.3	0.2	0.1	0.1
3.8	4.0	0.9	0.7	0.5	0.4	0.3	0.2	0.1	0.1	0.1
4.0	4.2	0.7	0.5	0.4	0.3	0.2	0.1	0.1	0.1	0.1
4.2	4.4	0.5	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1
4.4	4.6	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
4.6	4.8	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
4.8	5.0	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
5.0 and in excess thereof		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

New rates shall be assigned to eligible employers effective January 1, 1972, and each January 1 thereafter in accordance with the foregoing Fund Ratio Schedule and Experience Rating Formula.

The Experience Rating Formula table in force in any particular year shall apply to all accounts for that calendar year subsequent replacement enactments notwithstanding.

Provided that effective January 1, 1987, the Experience Rating Formula below shall be applicable and the variations from the standard beginning rate of contributions shall be determined and assigned in accordance therewith. New rates shall be assigned to eligible employers effective January 1, 1987, and each January 1 thereafter in accordance with the foregoing Fund Ratio Schedule and this Experience Rating Formula.

The standard contribution rate set by subdivision (b)(1) of this section applies to an employer unless the employer's account has a credit balance. The contribution rate of an employer whose account has a credit balance is determined in accordance with the rate set in the following Experience Rating Formula table for the applicable rate schedule. The contribution rate of an employer whose contribution rate is determined by the Experience Rating Formula table shall be reduced by thirty percent (30%) for any year in which the balance in the Unemployment Insurance Fund equals or exceeds eight hundred million dollars ($800,000,000) on the computation date.

EXPERIENCE RATING FORMULA

When The Credit Ratio Is:

As Much   But Less

As	Than	Rate Schedules (%) A	B	C	D	E	F	G	H	I
—	0.2%	2.70	2.70	2.70	2.70	2.70	2.70	2.50	2.30	2.10
0.2%	0.4%	2.70	2.70	2.70	2.70	2.70	2.50	2.30	2.10	1.90
0.4%	0.6%	2.70	2.70	2.70	2.70	2.50	2.30	2.10	1.90	1.70
0.6%	0.8%	2.70	2.70	2.70	2.50	2.30	2.10	1.90	1.70	1.50"
0.8%	1.0%	2.70	2.70	2.50	2.30	2.10	1.90	1.70	1.50	1.30
1.0%	1.2%	2.70	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.10
1.2%	1.4%	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.10	0.90
1.4%	1.6%	2.30	2.10	1.90	1.70	1.50	1.30	1.10	0.90	0.80
1.6%	1.8%	2.10	1.90	1.70	1.50	1.30	1.10	0.90	0.80	0.70
1.8%	2.0%	1.90	1.70	1.50	1.30	1.10	0.90	0.80	0.70	0.60
2.0%	2.2%	1.70	1.50	1.30	1.10	0.90	0.80	0.70	0.60	0.50
2.2%	2.4%	1.50	1.30	1.10	0.90	0.80	0.70	0.60	0.50	0.40
2.4%	2.6%	1.30	1.10	0.90	0.80	0.70	0.60	0.50	0.40	0.30
2.6%	2.8%	1.10	0.90	0.80	0.70	0.60	0.50	0.40	0.30	0.20
2.8%	3.0%	0.90	0.80	0.70	0.60	0.50	0.40	0.30	0.20	0.15
3.0%	3.2%	0.80	0.70	0.60	0.50	0.40	0.30	0.20	0.15	0.10
3.2%	3.4%	0.70	0.60	0.50	0.40	0.30	0.20	0.15	0.10	0.09
3.4%	3.6%	0.60	0.50	0.40	0.30	0.20	0.15	0.10	0.09	0.08
3.6%	3.8%	0.50	0.40	0.30	0.20	0.15	0.10	0.09	0.08	0.07
3.8%	4.0%	0.40	0.30	0.20	0.15	0.10	0.09	0.08	0.07	0.06
4.0%	4.2%	0.30	0.20	0.15	0.10	0.09	0.08	0.07	0.06	0.05
4.2%	4.4%	0.20	0.15	0.10	0.09	0.08	0.07	0.06	0.05	0.04
4.4%	4.6%	0.15	0.10	0.09	0.08	0.07	0.06	0.05	0.04	0.03
4.6%	4.8%	0.10	0.09	0.08	0.07	0.06	0.05	0.04	0.03	0.02
4.8%	5.0%	0.09	0.08	0.07	0.06	0.05	0.04	0.03	0.02	0.01
5.0%	5.2%	0.08	0.07	0.06	0.05	0.04	0.03	0.02	0.01	0.01
5.2%	5.4%	0.07	0.06	0.05	0.04	0.03	0.02	0.01	0.01	0.01
5.4%	5.6%	0.06	0.05	0.04	0.03	0.02	0.01	0.01	0.01	0.01
5.6%	5.8%	0.05	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01
5.8%	6.0%	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01
6.0%	6.2%	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01
6.2%	6.4%	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
6.4% & Over		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01".

Sec. 2.   This act is effective upon ratification and applies to quarters beginning on or after April 1, 1993.