



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 89 SLS 21RS 204
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 28, 2021 4:02 PM Author: REESE
Dept./Agy.: Department of Labor / Workforce Commission
Subject: Certain Taxes and Benefits for Calendar Year 2022 Analyst: Monique Appeaning

UNEMPLOYMENT COMP EN SEE FISC NOTE OF RV See Note Page 1 of 1
Provides for the unemployment insurance procedure to be applied by the administrator for calendar year 2022. (gov sig)

Proposed law provides that notwithstanding any other provision of present law, the administrator shall apply Procedure 2 for calendar year 2022. This is an extension of the provisions of Act 40 of the 2020 2nd Extraordinary Session. Procedure 2, in present law, provides the formula for calculating unemployment taxes and benefits, providing that the taxable wage base shall be \$7,700 and the maximum weekly benefit amount shall be \$247, when the states Unemployment Insurance Trust Fund balance range is between \$750 M and \$1.15 B.

Table with 7 columns: EXPENDITURES/REVENUES, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct effect on the expenditures of the Louisiana Workforce Commission (LWC) as a result on this measure. LWC reports that the proposed law will keep the current benefits amounts and taxable wage base in place. All unemployment taxes and benefits are off-budget items.

The effect of the proposed law is an extension of Act 40 of the 2020 2nd Extraordinary Session, providing that the unemployment benefit calculation formula for a recipient and the maximum weekly unemployment benefit amount applied in calendar year 2021 shall remain the same for the calendar year beginning January 1, 2022.

The Unemployment Insurance Trust Fund is not an appropriated fund within the state budget, but is held by the U.S. Treasury in the federal Unemployment Insurance Trust, where each state has a separate account to cover normal unemployment insurance benefits.

REVENUE EXPLANATION

LWC reports that the effect of the proposed law is that the taxable wage base in calendar year 2021 will remain the same for calendar year beginning January 1, 2022. The Unemployment Insurance Trust Fund is not an appropriated fund within the state budget, but is held by the U.S. Treasury in the federal Unemployment Insurance Trust.

Based on present law, if the applied Unemployment Insurance Trust Fund balance is below \$750 M beginning on January 1, 2022, then the taxable wage base increases from \$7,700 to \$8,500. The effect of the proposed law is that the taxable wage base in calendar year 2021 (\$7,700) shall remain the same for the calendar year beginning January 1, 2022.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Alan M. Boxberger
Alan M. Boxberger
Staff Director